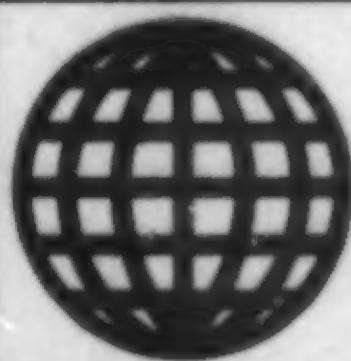


IMAGE EVALUATION TEST TARGET (MT-3)



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Daily Report—

East Asia

**FBIS-EAS-94-045
Tuesday
8 March 1994**

Daily Report

East Asia

FBIS-EAS-94-045

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ASEAN Agrees To Invite Burma to July Meeting
BK0803040694 Bangkok BANGKOK POST in English
8 Mar 94 p 6

[Excerpt] Senior ASEAN officials have agreed in principle to the idea of inviting Burma to a meeting of ASEAN foreign ministers taking place in Bangkok in July, a Thai foreign ministry spokesman said yesterday. But it remains to be decided whether Burma should be invited as "guest of the host country," or "guest of ASEAN," said Suwit Simasakun. "There's still time to think about this. The principle is not to isolate them (the Burmese) but how far they will be involved depends on them," he said.

ASEAN officials have long made clear that an invitation to Rangoon would be contingent on progress toward political liberalisation in Burma.

Thailand is hosting what will be the 27th annual conference of foreign ministers of the Association of Southeast Asian Nations.

Consensus on inviting Burma to the ASEAN foreign ministers' gathering was reached yesterday at a meeting in Bangkok of the grouping's foreign affairs and security officials. The so-called special SOM (Senior Officials' Meeting), continuing through tomorrow, is concentrating on preparations toward the first ASEAN Regional Forum (ARF), the grouping's new mechanism for security dialogue. In the first mention of dates, officials yesterday said the foreign ministers' conference would take place from July 23-24 and would be followed by the first session of the ARF on July 25.

The annual Post Ministerial Conference with seven so-called dialogue partners the United States, Canada, Australia, New Zealand, South Korea, Japan and the European Union is set for July 26-27. The six ASEAN member states are inviting these dialogue partners and five others—China, Russia, Vietnam, Laos and Papua New Guinea—to attend the ARF.

Permanent Secretary for Foreign Affairs Pracha Khunakasem called the ARF a mechanism for solving security problems. Yesterday's meeting endorsed a related idea—the proposed establishment of a regional peacekeeping centre. But it remains to be decided whether the centre should function as a nucleus for training regional peacekeepers or one for exchanging information, said Mr Suwit.

The idea of setting up a regional peacekeeping centre surfaced last month in response to the United Nations secretary-general's "Agenda for Peace". Reportedly the brainchild of Indonesian scholar Jusuf Wanandi, of the Institute of Strategic and International Studies (ISIS), the idea will be discussed in depth at an ASEAN-ISIS workshop scheduled in conjunction with the next meeting of senior ASEAN officials in April.

The ASEAN officials' meeting yesterday also saw Thailand propose holding a Southeast Asian Ten Nations Conference.

The proposal calls for a ministerial-level meeting of the six ASEAN member states, and neighbours Vietnam, Laos, Cambodia and Burma, said Director-General of East Asia Affairs Department Don Pramatwinai. Yesterday's gathering also discussed outstanding problems in the South China Sea, on the Korean Peninsula, and prospects of setting up a Zone of Peace Freedom and Neutrality (ZOPFAN). [passage omitted]

ASEAN To Explore 'Closer Ties' With ECO
BK0803045294 Bangkok THE NATION in English
8 Mar 94 p 44

[Text] ASEAN Secretary-General Ajit Singh will visit Tehran in mid-April for talks with the Economic Cooperation Organization (ECO) secretariat on establishing economic, trade and tourism links between the two regional groupings.

Ajit Singh, who is attending the three-day closed-door Special Senior Asean Officials Meeting (SOM) in Bangkok, said the ECO had expressed an interest in closer ties. It was also in line with the decision of the third Asean summit in Singapore in 1992 to develop closer relations with other regional groupings.

"It will be a preliminary, exploratory visit to study the possible scope of relations between Asean and the ECO," he said. The 10-member ECO groups Iran, Turkey, Pakistan, Afghanistan and the former Soviet Muslim republics of Kazakhstan, Azerbaijan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan. Ajit Singh will visit Pakistan on the return trip.

Last year he led a delegation to China that concluded with Beijing opening a new chapter in science and technology cooperation with Asean. He recently made an official visit to Vietnam and Laos, who became Asean observers in 1992.

Foreign Ministry Spokesman Suwit Simasakun said yesterday Burma must be brought into the mainstream of regional affairs. Asean members had agreed in principle that Burma should be invited to attend the Asean meeting in July, but there was still no agreement on what status Rangoon should have.

The SOM meeting, attended by senior Asean foreign affairs, security and intelligence officials, yesterday reviewed security in the region and made preparations for the first Asean Regional Forum (ARF) on July 25. An Asean official said the regional issues touched were on Burma, the South China Sea, the Korean peninsula and Cambodia, relations with major powers like China, the US, Japan and Russia.

The political cooperation issues covered included the Asean role in Zopfan—the Zone of Peace, Freedom and Neutrality—the Nuclear Non-Proliferation Treaty and confidence-building measures.

Japan

Warren Christopher's Visit to Tokyo Previewed
OW0803124694 Tokyo KYODO in English 1103 GMT
8 Mar 94

[“News Focus” by Miu Oikawa Dieter]

[Text] Tokyo, March 8 KYODO—Following weeks of mounting tension between Japan and the United States over threats of a trade war, Tokyo now awaits the arrival of U.S. Secretary of State Warren Christopher on Wednesday [9 March] night, hoping the visit will be a chance to heal thorny bilateral ties.

Christopher's three-day visit will be the first direct high-level contact between Tokyo and Washington after U.S. President Bill Clinton and Prime Minister Morihiro Hosokawa jointly announced the collapse of bilateral trade framework negotiations in Washington last month.

The failure of the talks, aimed at redressing the huge trade imbalance, prompted the U.S. Government to take tough actions against Japan, including an executive order to reinstate a 1988 trade law.

The Super 301 measure gives the U.S. Administration broad powers to impose sanctions against countries it judges to have unfair trade practices.

While U.S. Trade Representative Mickey Kantor said in announcing the step that the U.S. is not “designating or identifying any practice of any country today,” the action is widely said to be targeting Japan to press it into reducing its more than 60 billion dollar trade surplus with the U.S.

Reinstatement of Super 301 was reportedly considered by U.S. officials as soon as bilateral trade talks broke down on February 11.

While voicing concern over such “unilateral” moves in the wake of the just-concluded Uruguay Round of multilateral trade negotiations, the Japanese Government, at least on surface, reacted calmly, saying it was expected because Clinton had hinted of a reinstatement since his presidential election campaign.

Tokyo and Washington, failing to close the gap on the concept of “objective criteria” to measure the penetration of imports into Japanese markets, are now in a cooling-off period.

Japan, under pressure from the U.S. and Europe to open its markets to reduce its growing current account and trade surpluses, is currently making strenuous efforts to hammer out a package of voluntary market-opening measures by the end of the month.

When Christopher meets Japanese leaders, including Hosokawa and Foreign Minister Tsutomu Hata, probably on Thursday, bilateral economic problems,

including the failed framework talks, are likely to be high on the agenda, Foreign Ministry sources said.

The Japanese side is expected to explain the upcoming market-opening package and seek U.S. understanding, while expressing concern over the reinstatement of Super 301, according to sources.

“I think there are great attentions to what Christopher has to say concerning the framework talks,” a senior ministry official said.

“But frankly, I don't think there will be any new moves as a result of the visit,” the official said on condition of anonymity.

As ministry spokesman Terusuke Terada said, it may be difficult to offer Christopher “concrete ideas” about the market-opening package although the cabinet ministers meet Wednesday to map it out.

“The government does need a bit more time before it is able to make an announcement on the complete action to be taken,” Terada said.

With no immediate breakthrough likely in the economic arena, the Japanese officials hope to deflect focus on economic and trade issues and instead shed more light on two other aspects of bilateral relations, the political and security fields.

“It's a good opportunity to show that Japan-U.S. relations do not simply revolve around economic matters,” another senior ministry official said.

Terada said that economic and trade problems are “just one of the agenda items” and that Christopher's visit provides “ample opportunity to exchange views on the international situation.”

Hosokawa and Christopher are likely to discuss China, since the secretary of state will fly to Beijing after leaving Tokyo on Friday and Hosokawa is scheduled to visit China from March 19 to 21, he said.

Christopher and Japanese leaders are expected to reaffirm the importance of bilateral security arrangements and reconfirm cooperation in solving problems involving North Korea's nuclear development.

Japan and the U.S. are also expected to hold the first “two-plus-two” security talks, with undersecretary of defense Frank Wisner accompanying Christopher. Defense Agency Director General Kazuo Aichi will join Hata.

Christopher will also attend an international conference on aid to Cambodia on Thursday and deliver a speech to business leaders Friday.

This will be Christopher's third trip to Japan. He visited Tokyo last April to attend the Group of Seven (G-7) ministerial conference on aid to Russia and last July for the G-7 summit meeting.

Clinton Aide Cutter Discusses Super 301 Move
*OW0803025694 Tokyo KYODO in English 0258 GMT
4 Mar 94*

[Text] Washington, March 3 KYODO—President Bill Clinton decided to reinstate the "Super 301" trade provision by executive order in an effort to ward off political pressure from Congress for tougher measures, a senior Clinton aide said Thursday [3 March].

Also, the official said, Clinton wanted to keep the trade dispute with Japan under White House control and settle their differences through discussion, and not confrontation.

Bowman Cutter, deputy presidential assistant for economic policy, said that was the message Clinton wanted to give to Tokyo when he called Prime Minister Morihiro Hosokawa before the White House announced Clinton's decision to reinstate Super 301, a move strongly opposed by Japan.

"The President felt extremely strongly that even though we were doing something that the Government of Japan would disagree with, that it was important that he personally called and talked with the prime minister," cutter said in an interview with KYODO NEWS SERVICE.

Clinton "wanted the prime minister to understand that there was domestic pressure here, political pressure, that he had carried out the executive order rather than simply allow legislation in Congress to occur," Cutter said.

There have been several legislative moves in Congress since the trade talks between Washington and Tokyo collapsed February 11.

Trade bills submitted include a tougher version of "Super 301" sponsored by Sen. Max Baucus calling for reinstating the trade legislation on a permanent basis.

The "Super 301" measure authorized by Clinton requires the U.S. Government to identify unfair trade practices in 1994 and 1995.

Cutter said Clinton had also give instructions to his aides in an executive order that "was more discretionary and allowed more control" by the White House.

The President hoped that Hosokawa and senior officials in the Government of Japan would understand and would read the language of executive order carefully, Cutter said.

Clinton believes that he has established a strong sense of personal trust with Hosokawa and that in "working together" the two of them "can keep control of events," Cutter said.

"What he wanted was to be able to solve these (trade) problems in discussion," Cutter said of Clinton's intentions in calling and talking directly to the Japanese prime minister.

Cutter acknowledged that there is "a great deal of distrust" on both sides over trade issues but he did not think there was any distrust between the two leaders.

Despite the failure of their meeting on February 11 to agree on a new bilateral trade framework, Cutter said the two leaders "hit it off extremely well" the next morning when Clinton invited Hosokawa and his wife, Kayoko, for breakfast at the White House.

Economic Groups Urge More Public Works Spending

*OW0703124794 Tokyo KYODO in English 1232 GMT
7 Mar 94*

[Text] Tokyo, March 7 KYODO—Two influential business organizations urged the government on Monday [7 March] to expand Japan's 10-year public works investment program by more than 100 trillion yen to break an impasse in Japan-U.S. economic relations.

The program calls for spending 430 trillion yen on public works projects from fiscal 1991 to 2000 to stimulate domestic demand.

The Federation of Economic Organizations (Keidanren), in a recommendation to the government, proposed income tax cuts for two consecutive years through a revision of the tax system.

The federation also urged the government to set a target for reduction of Japan's huge current account surplus to a certain proportion of its gross domestic product.

It stressed the need for Japan to promote the opening of its market and economic deregulation.

The federation urged private corporations for their own efforts to expand imports.

Masaru Hayami, head of the Japan Association of Corporate Executives (Keizai Doyukai), called on Prime Minister Morihiro Hosokawa on Monday and submitted a list of proposals for restructuring Japan-U.S. relations, association officials said.

They said the proposals included an increase in spending on public works projects by more than 100 trillion yen over the next 10 years and bringing down the level of Japan's current account surplus to about 2.0 percent of its gross domestic product.

Hosokawa Vows Efforts To Break U.S. Impasse

*OW0803083794 Tokyo KYODO in English 0818 GMT
8 Mar 94*

[Text] Tokyo, March 8 KYODO—Prime Minister Morihiro Hosokawa said Tuesday [8 March] he will continue trying to break an impasse on talks over a new trade "framework" between Japan and the United States.

Hosokawa, speaking at the House of Representatives plenary session, said "a window for the negotiations is still open to both Japan and the United States."

Japan is determined to go ahead with its pump-priming measures and the opening of its market to foreign traders, he said.

The prime minister was referring to his February 11 summit with U.S. President Bill Clinton. Hosokawa and Clinton announced the breakdown of the framework talks at a joint news conference following the Washington summit.

Hosokawa, replying to questions by Shunichi Suzuki, a member of the opposition Liberal Democratic Party (LDP), expressed worries about the reinstatement of the "Super 301" trade provision, which he said violates the General Agreement on Tariffs and Trade (GATT).

Super 301, reintroduced by Clinton on March 3, gives the U.S. Government power to impose retaliatory tariffs against unfair traders if they fail to remove trade barriers.

Foreign Minister Tsutomu Hata told the same session that Japan, the U.S. and South Korea will make joint efforts to resolve the issue of North Korea's suspected development of nuclear weapons.

At the House of Councillors earlier in the day, Hosokawa renewed his pledge to reform Japan's economic structure, which has been criticized by other countries as impeding fair trade.

"The Japanese people expected the coalition government to break the rigidity of politics and the economy caused by the long-term rule of the Liberal Democratic Party," he said.

Hosokawa also expressed hope that the Japanese economy will see a recovery in fiscal 1994, which begins in April.

Accelerating inventory adjustment in the private sector offers bright prospects but the economy remains stagnant in general, he said at the upper house session.

"The government compiled the 15 trillion yen stimulus package and incorporated measures into the fiscal 1994 budget to bring the economy back on track as early as possible in fiscal 1994 and keep up stable growth from fiscal 1995 on," the premier said.

He was responding to questions by Tomio Yamamoto, an LDP upper house legislator.

Hosokawa tried to allay concern about a possible shortage of rice, saying the government increased the amount of domestically grown rice to be sold in March and is taking steps to solve the shortage.

Japan is expected to import as much as two million tons of rice to make up for the shortage resulting from last year's worst harvest in the postwar period.

Representatives of political parties started three days of interpellations Monday on last Friday's policy speeches by Hosokawa and three cabinet ministers.

IBM Exceeds Japanese in U.S. Patent Awards

*OW0803003794 Tokyo KYODO in English 0017 GMT
8 Mar 94*

[Text] Washington, March 7 KYODO—International Business Machines Corp. last year became the first American company in eight years to be granted the largest number of U.S. patents, a report said Monday [7 March].

IBM vaulted past Japanese firms with 1,085 patents in 1993, surpassing second-placed Toshiba Corp. of Japan by 45, the U.S. Patent and Trademark Office report said.

Canon Inc., the Japanese camera and optical instruments maker, ranked third with 1,038 patents.

Eastman Kodak Co. jumped from seventh to fourth position with 1,007 patents, followed by General Electric Co. with 933. In 1992, only one U.S. firm was in the top five, the patent office said.

Mitsubishi Electric Corp. ranked fifth in 1993 with 926 patents, followed by Hitachi Ltd. with 912.

Motorola Inc. of the U.S. was eighth with 729 patents, and two Japanese companies—Matsushita Electric Industrial Co. and Fuji Photo Film Co.—rounded off the top 10 places for nongovernmental organizations. Matsushita got 712 and Fuji Photo 962.

A record 188,099 patent applications flooded the U.S. Patent Office in the fiscal year that ended September 30 last year.

The office said it granted 107,332 patents, 45 percent of them to non-U.S. interests. The number was 2,396 less than the previous year.

U.S. Wants Numerical Targets in Phone Dispute

*OW0803000194 Tokyo KYODO in English 2340 GMT
7 Mar 94*

[Text] Washington, March 7 KYODO—The United States has proposed using numerical indicators to monitor sales of U.S.-made cellular phones in Japan, informed sources in Washington said Monday [7 March].

The U.S. is due to announce sanctions against Japan next week over a trade dispute on the phones, and the sources said its latest position means it expects the volume of sales of Motorola-type cellular phones to increase to about 240,000 in the cellular service area extending from Tokyo to Nagoya.

The U.S. Government says Japan has violated a 1989 cellular phone trade accord, and is scheduled to unveil

by Thursday of next week a list of Japanese products subject to U.S. import sanctions if no settlement is reached by then.

At present, the U.S. cellular phone maker Motorola Inc. is holding talks with its Japanese partner Nippon Idou Tsushin Corp. (IDO).

IDO has reportedly offered to accept a Motorola demand to install 159 Motorola base stations for relay of cellular phone transmissions, while Motorola is said to have withdrawn a demand that IDO buy 225,000 Motorola phones.

IDO offers both Motorola systems and those made by Nippon Telegraph and Telephone Corp. (NTT) for its cellular phone service in Tokyo-Nagoya area. According to U.S. figures, IDO had signed up 308,000 NTT-type cellular phone subscribers as of the end of last year, and Motorola a mere 12,900 subscribers.

IDO, Motorola 'Close' to Accord on Phones

*OW0803034894 Tokyo KYODO in English 0312 GMT
8 Mar 94*

[Text] Tokyo, March 8 KYODO—Nippon Idou Tsushin Corp. (IDO) is close to reaching an agreement with Motorola Inc. of the United States on opening Japan's cellular phone market to Motorola systems, Japan's postal minister suggested Tuesday [8 March].

Posts and Telecommunications Minister Takenori Kanzaki told reporters after a cabinet meeting that the Japanese cellular phone service company and the U.S. telecommunications equipment maker appear to have made good progress in their talks.

Kanzaki would not say when IDO and Motorola are likely to reach agreement but added he believes both companies are keeping in mind a U.S. plan to announce trade sanctions against Japan on March 17 if no settlement is attained.

Kanzaki also declined to confirm news reports that the U.S. has demanded that sales of Motorola-type cellular phones be increased to about 240,000 per year in the cellular service area extending from Tokyo to Nagoya.

Sony, Texas Instruments Agree on Cooperation

*OW0803091894 Tokyo KYODO in English 0804 GMT
8 Mar 94*

[Text] Tokyo, March 8 KYODO—Sony Corp. said Tuesday [8 March] it has agreed to license its 16-bit microcontroller unit (MCU) technology to Texas Instruments Japan Ltd.

Under the agreement, the Japanese subsidiary of the U.S. semiconductor manufacturer will develop, produce and market MCUs using Sony technology, Sony said.

The MCU forms the brain of a wide range of electronics products, including videocassette recorders and personal computers.

The companies will also study the possibility of joint 16-bit MCU development and technology sharing in the area of MCU peripheral circuitry, Sony said.

In addition, the companies will discuss the incorporation of MCUs developed by Texas Instruments Japan in Sony's audiovisual products, Sony said.

Major Chip Makers Moving to 64-Megabit Line

*OW0703013394 Tokyo KYODO in English 0116 GMT
7 Mar 94*

[Text] Tokyo, March 7 KYODO—Japan's major computer chip makers are building manufacturing lines for leading-edge memory chips, company officials said Monday [7 March].

NEC Corp. will build a new line at its plant in Roseville, California, that could produce 64-megabit dynamic random-access memory (DRAM) chips, an NEC spokesman said.

NEC also plans to build a manufacturing plant in Kyushu for 64-megabit chips for production starting in August.

Hitachi Ltd. is building a plant in Ibaraki Prefecture that will contain facilities for production of 64-megabit chips, a Hitachi spokesman said.

Fujitsu Ltd. also has a plan to build a similar-level of facilities for logic chips, a Fujitsu spokesman said.

The moves are viewed by analysts as efforts by Japanese chip makers to gain a step on their U.S. and South Korean rivals in the market share contest for 64-megabit chips.

Officials Hold Meeting on Military Bases Issue

*OW0503092094 Naha RYUKYU SHIMPO in Japanese
2 Mar 94 Morning Edition p 1*

[Text] Tokyo—Senior officials at the U.S. Defense and State Departments held a meeting on 28 February with Ichiro Yoneyama, director general of the Defense Facilities Agency [DFA] who is visiting the United States to settle the issue of U.S. military bases on Okinawa. At the meeting, the officials mentioned the reversion of Yomitan auxiliary airfield and said: "We will study the possibility of its return." It is the first positive comment U.S. officials have shown regarding return of Yomitan auxiliary airfield.

The remarks came from Assistant Secretary of State for East Asian and Pacific Affairs Winston Lord and Assistant Secretary of Defense for East Asian and Pacific Affairs Ross [name as received] following a request from Director General Yoneyama for a response on three pending matters—return of Naha Naval Port, return of

Yomitan airfield, and the suspension of live-shell firing exercises over prefectural highway 104.

Yoneyama said: "It is the wish of the prefectural people to settle these issues."

According to the DFA, until now the United States has only mentioned the possibility of moving the parachute training which is currently carried out at Yomitan auxiliary airfield. It has never before hinted at the return of the airfield, instead arguing that "it also acts as a radio wave impact area for both Torii and Sobe communications stations which are located near the auxiliary airfield."

The United States has said that parachuting training could be held at other sites, but has maintained that "the return of the auxiliary airfield itself is difficult."

At the 28 February meeting, however, the U.S. officials said: "We would like to study the possibility of returning the airfield once we have moved parachute training to another area." They reportedly showed their understanding of the feelings of the prefectural people toward U.S. military bases on Okinawa. It is also said they promised to exert efforts to cooperate with the Japanese Government to settle other issues as well.

The DFA is taking a positive view of the remarks by the U.S. officials, saying: "It is a major advance that U.S. officials took positive line on the return of Yomitan auxiliary airfield."

The agency hopes Director General Yoneyama will continue his meetings with high-level U.S. officials.

He is due to arrive in Las Vegas on 1 March and visit San Diego on 2 March to make inspection tours of military bases. The bases include Nellis Air Force Base, which supervises night landing practices held in Japan; North Island Naval Base; and Miramar Naval Base. He is scheduled to meet base commanders and other officials.

Government 'Not Considering' New Trade Offers

OW0803023994 Tokyo KYODO in English 0215 GMT 8 Mar 94

[Text] Tokyo, March 8 KYODO—Japan is not considering new macroeconomic trade measures despite recent calls from the domestic business community, Finance Minister Hirohisa Fujii said Tuesday [8 March].

Fujii told a regular press conference that he has heard no discussions in the government of new steps, such as much-discussed macroeconomic targets.

He declined to say directly whether a proposed increase in a 10-year 430 trillion yen public works spending program would be included in a market-opening package to be compiled this month.

Leading Japanese business organizations are calling for a boost in the fiscal 1991-2000 spending program and for

targeting a reduction in the current account surplus as a percentage of gross domestic product (GDP).

Asked about such proposals, Fujii repeated that cabinet ministers discussing the market-opening package will likely confirm plans to act "voluntarily and positively" in four key areas, in a meeting expected to be held before U.S. Secretary of State Warren Christopher arrives Wednesday for an official visit.

The four areas are deregulation, import promotion, the boosting of antitrust enforcement and the improvement of government procurement practices.

He also called for steady implementation of the government's 15.25 trillion yen economic stimulus package together with the fiscal 1993 third supplementary budget, and swift enactment of the fiscal 1994 budget.

He repeated that these measures will have "an extremely big effect" in boosting domestic demand, a key component of efforts to reduce Japan's trade imbalances.

Fujii said he hopes the steps will be taken "as soon as possible" with "sufficient deliberation" in the Diet on the tax revision bills, which include tax cuts of some 6 trillion yen contained in the stimulus package.

He declined to say whether a delay beyond the month's end in passing the bills might hold up the staged income tax cuts, which are slated for implementation this summer.

On Monday, Vice Finance Minister Jiro Saito told a press conference he wants the government to pass the bills by the end of March to give the ministry time to implement the tax cuts promptly.

Hosokawa on Pledge To Reform Trade Structure

OW0803050594 Tokyo KYODO in English 0459 GMT 8 Mar 94

[Text] Tokyo, March 8 KYODO—Prime Minister Morihiro Hosokawa renewed his pledge Tuesday [8 March] to reform Japan's economic structure which has been criticized by other countries as impeding fair trade.

"As the coalition government was established, the Japanese people expected it to break the rigidity of politics and the economy caused by the long-term rule of the Liberal Democratic Party (LDP)," Hosokawa said at a plenary session of the House of Councillors.

Hosokawa launched the seven-party coalition last August after breaking the LDP's 38-year-long grip on power.

At Monday's plenary session of the more powerful House of Representatives, the prime minister vowed continued efforts to make the Japanese economy more open to the rest of the world even though the initial task of the coalition government to reform politics is complete.

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Hosokawa also expressed hope that the Japanese economy will see a recovery in fiscal 1994, which begins in April.

Accelerating inventory adjustment in the private sector offers bright prospects but the economy remains stagnant in general, he said.

"The government compiled the 15 trillion yen stimulus package and incorporated measures into the fiscal 1994 budget to bring the economy back on track as early as possible in fiscal 1994 and keep up stable growth from fiscal 1995 on," the premier said.

He was responding to questions by Tomio Yamamoto, an LDP upper house legislator.

Hosokawa tried to allay concern about a possible shortage of rice, saying the government increased the amount of domestically grown rice to be sold in March and is taking steps to solve the shortage.

Japan is expected to import as much as two million tons of rice to make up for the shortage resulting from last year's worst harvest in the postwar period.

Representatives of political parties started three days of interpellations Monday on last Friday's policy speeches by Hosokawa and three cabinet ministers.

Takemura on Deregulation Efforts by Bureaucrats

OW0803125394 Tokyo KYODO in English 1229 GMT
8 Mar 94

[Text] Tokyo, March 8 KYODO—Chief Cabinet Secretary Masayoshi Takemura on Tuesday [8 March] urged top government bureaucrats to make further efforts to work out deregulation steps, the pillar of market-opening measures to be announced later this month.

Takemura called in vice ministers in charge of trade, agriculture and construction to the prime minister's official residence and made the request, government officials said.

It is unprecedented that the chief cabinet spokesman gave such instructions directly to top bureaucrats of the government ministries and agencies, the officials added.

In a related development, the second round of talks between ministers concerned with external economic affairs will be held on Thursday rather than Wednesday as originally scheduled, government sources said.

The ministers will discuss measures to further open Japanese markets to foreign products as part of the nation's voluntary efforts to reduce its huge trade surplus.

Keidanren, Rengo on Private Decontrol Agency

OW0803040294 Tokyo KYODO in English 0346 GMT
8 Mar 94

[Text] Tokyo, March 8 KYODO—Japan's most powerful business lobby and the largest umbrella organization for labor unions agreed Tuesday [8 March] that a proposed third-party agency to promote deregulation should comprise only private-sector members, officials said.

In a meeting with officials of the Federation of Economic Organizations (Keidanren), representatives of the Japan Trade Union Confederation (Rengo) suggested that the proposed agency should not include retired bureaucrats, so as to remain independent from the government.

The idea was put forward by the advisory group for economic structural reform, headed by Keidanren Chairman Gaishi Hiraiwa, when the government advisory body unveiled a package of measures to ease state regulations and boost the Japanese economy late last year.

The Keidanren officials supported the Rengo suggestion and said the federation will convey the request to Koshiro Ishida, director general of the Management and Coordination Agency, in late March.

The bilateral meeting also dealt with tensions in the trade ties between Japan and the United States, and the domestic economy.

MITI Official Opposed to Macroeconomic Goals

OW0803112894 Tokyo KYODO in English 1110 GMT
8 Mar 94

[Text] Tokyo, March 8 KYODO—A senior official of the Trade Ministry opposed a proposal Tuesday [8 March] for Japan to set quantitative goals in macroeconomic fields as part of its efforts to cut its huge trade surplus.

Japan should not make the achievement of a specific ratio of current account surplus against gross domestic product (GDP) into a government commitment, said the official, who declined to be identified.

It is impossible for the government to guarantee the fulfillment of such a pledge, the official said, explaining that current account balance figures are easily affected by external factors beyond government control, such as crude oil prices.

The official at the Ministry of International Trade and Industry [MITI] was commenting on Monday's proposal by the Japan Association of Corporate Executives (Keizai Doyukai) to reduce the profit ratio to 2 percent of the GDP within three years.

To set such an economic goal is tantamount to the "numerical targets" Japan has repeatedly rejected in trade talks with Washington as managed trade, the official said.

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He said Tokyo cannot go beyond seeking to achieve "a highly significant decrease" in its current account surplus as agreed during the Japan-U.S. summit in July 1993.

The comments came amid growing calls from both within and outside the government for Japan to set some macroeconomic goals in order to mend the soured economic ties with the United States.

The Foreign Ministry, for example, proposed the GDP profit ratio be cut to 2.8 percent for fiscal 1994 from the 3.1 percent estimated for the current year.

On a revival of a U.S. trade provision known as Super 301, the MITI official said he feels the step is designed to smooth the way for a breakthrough in the Japan-U.S. trade dispute rather than targeting Tokyo for retaliation.

Under the provision, Washington will identify trade practices it finds unfair to U.S. products, using findings from an annual survey on global trading practices set for release at the end of March. The U.S. administration would then have until September 30 to pinpoint priority countries engaged in unfair trading.

The U.S. may have selected a September deadline, rather than an earlier one as previously expected, to reflect Washington's consideration toward Japan and give it more time to take market-opening steps, the official said.

Guidelines Drawn Up To Eradicate Bid-Rigging

*OW0403151394 Tokyo KYODO in English 1130 GMT
4 Mar 94*

[Text] Tokyo, March 4 KYODO—The government's fair trade watchdog unveiled Friday [4 March] new draft guidelines designed to eradicate rampant bid-rigging activities on tenders for public works projects. The Fair Trade Commission (FTC) will formalize by summer the draft calling for strict controls on a wide range of activities related to bids on public works projects to replace the current standards established in 1984, FTC officials said.

The new guidelines will classify suspect corporate activities into three categories —those that violate the Anti-monopoly Law, those that do not, and those that are on the borderline.

Such acts as selecting before bidding takes place firms expected to get the orders on public works projects, rigging bid prices or deciding the minimum tender price, will be stipulated as violation of the law.

The draft also says exchanging information on bids, including bidders' business records or tender prices, has a high probability of violating the Fair Trade Law.

Exchanging information about the prospect of firms' participation in bids or forming joint ventures for bidding will also fall into the category of acts that could violate the law.

The existing guidelines allow firms to exchange information about bids as long as they do not select the successful bidder or set the tender price, but the system is regarded as being full of loopholes to allow bid-rigging practices.

The FTC move comes against the backdrop of prosecutors investigating corrupt relations between politicians and construction companies over public works projects and the United States harshly criticizing the closed nature of the Japanese construction market.

The construction ministry, since last December, has been tackling a wholesale review of the bidding system for public works projects to secure fairness and give wider access to foreign competitors under the open-bidding system expected to be introduced in April, ministry officials said.

The FTC will finalize the draft guidelines after hearing views from ministries involved and economic organizations, as well as from the U.S. and the European Union, the officials said.

Japanese Buying of U.S., Asian Stocks Surges

*OW0403140994 Tokyo KYODO in English 1013 GMT
4 Mar 94*

[Text] Tokyo, March 4 KYODO—Buying in the hot U.S. and Southeast Asian stock markets highlighted active Japanese purchases of foreign securities last year, the Finance Ministry said Friday [4 March]. With Wall Street stocks posting strings of record highs while Japanese shares lagged, net Japanese buying of U.S. securities jumped to 21.93 billion dollars in 1993 from 8.75 billion dollars, the ministry said in an annual report.

Surging share purchases from October in the roaring Hong Kong and Southeast Asian bourses pushed net Japanese securities buying in the ministry's "other" category 3.63 billion dollars from net sales of 1.85 billion dollars in 1992, a ministry official told reporters.

Steady bond markets helped boost net purchases in Germany to 17.38 billion dollars from 8.13 billion dollars and in France to 10.03 billion dollars from 2.53 billion dollars, he said. But Japanese sold a net 17.96 billion dollars' worth of Luxembourg securities, compared with earlier net sales of 2.81 billion dollars, on redemptions of dollar-denominated Japanese warrant bonds there, the official said.

As foreign exchange losses forced them to bail out, Japanese investors sold a net 4.38 billion dollars of securities in Australia, against previous net sales of 1.73 billion dollars, and sold 5.76 billion dollars' worth in Canada, a turnaround from 1992 net purchases of 1.58 billion dollars.

Net purchases of British securities dipped to 16.76 billion dollars from 17.06 billion dollars, while those in Switzerland climbed to 2.05 billion dollars from 708 million dollars.

As previously reported, net foreign securities purchases totaled 43.51 billion dollars, up from 32.47 billion dollars.

Investors To Be Allowed To Trade PRC Shares

*OW0403143794 Tokyo KYODO in English 1059 GMT
4 Mar 94*

[Text] Tokyo, March 4 KYODO—The Japanese securities industry said Friday [4 March] it plans to allow individual investors to trade in Chinese stocks through brokerage houses.

The Japan Securities Dealers Association said the Shanghai Stock Exchange will be designated as its 36th overseas bourse on which Japanese investors will be allowed to trade in stocks. The association said a formal decision on the matter will be made at its executive session to be held next week.

The Chinese Government allows foreign individuals to sell or buy designated issues on the Shanghai Stock Exchange, which was opened in 1990.

Shanghai authorities asked the association in January to allow individual Japanese investors to participate in trading, officials said. Shanghai will become the eighth stock exchange in Asia to be designated by the association, the officials said.

Sale of Surplus Ethylene Plants to China Planned

*OW0403151294 Tokyo KYODO in English 1133 GMT
4 Mar 94*

[Text] Tokyo, March 4 KYODO—Japan is looking to export surplus ethylene manufacturing facilities to China in a bid to help China's chemical industry develop and at the same time ease a glut in domestic facilities, a government official said Friday [4 March].

The Ministry of International Trade and Industry is dispatching a trade mission jointly with petrochemical concerns and trading houses to China to sell the idea, a ministry official said. The mission is to meet Chinese Government officials during a visit from next Thursday through March 13, the official said.

Japan is ready to provide Chinese firms with low-interest loans from the Export-Import Bank of Japan if the two sides reach agreement on the deal, the official added.

Japan has an ethylene-manufacturing capacity of some seven million tons a year, way above the five million tons needed domestically every year. Ethylene is a key petrochemical material used in a wide range of industrial resin products.

China now faces a shortage of petrochemical products such as resins as it industrializes, according to the official.

Symposium on Russia's Economic Reforms Held

*OW0603072594 Tokyo KYODO in English 1125 GMT
4 Mar 94*

[Text] Tokyo, March 4 KYODO—Russian and Japanese experts to a two-day symposium on Russia's economic reforms singled out the recent hyperinflation and sharp drops in investment as the biggest problems to be tackled, an Economic Planning Agency (EPA) official said Friday [4 March].

The symposium, sponsored by the EPA, opened Thursday in Tokyo as part of the educational assistance for Russia's economic reforms pledged by Japan in May 1993.

Russian participants to the symposium, the second of its kind following one in March 1993, included Andrey Shapovalyants, first vice economic minister, Aleksey Ulyukayev, deputy director of the institute for economy in transition, and Vladimir Volkov, deputy chief of the department of the social and economic development.

Japanese participants included Shinya Hoshino, president of the National Institute for Research Advancement, Nobuyoshi Araki, chief economist at the East and West Research Institute, and Masashi Kato, the EPA's vice minister for international economic affairs.

According to the EPA official, the participants discussed macroeconomic aspects of the problem of inflation in Russia under which consumer prices rose by 9.4 times and wholesale prices tenfold during 1993.

They also talked about the sharp drop in investment in Russia, to the point that it is difficult even to renew obsolete equipment and facilities.

The Russian participants reported at the symposium that Russia's efforts to introduce market economy have now come to the stage of "irreversibility." But its economy is still in poor condition, with gross national product contracting by 12 percent and industrial output dropping by 16.2 percent in 1993 from the previous year, they said.

Ministry Reports Release of Fisherman by Russia

*OW0703110994 Tokyo KYODO in English 0937 GMT
7 Mar 94*

[Text] Tokyo, March 7 KYODO—Russia has released a Japanese fisherman detained since August for allegedly encroaching its territorial waters off Japan's northernmost main island of Hokkaido, Foreign Ministry officials said Monday [7 March].

The action follows the release in late February of 21 Japanese fishermen detained in waters near the four disputed Russian-held islands.

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FBIS-EAS-94-045
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The Sakhalin provincial government notified the Japanese consulate general in Khavarovsk on last Thursday that it would release Fujio Honma, captain of No. 18 Toho Maru, on Saturday at Yuzhno-Sakhalinsk.

Japanese officials received honma as scheduled Saturday at the Sakhalin detention house, the ministry said.

Honma is in good condition and will fly back to Japan on Friday, they said.

Russia detained the fishing vessel on August 30. of a crew of four, three have already been released.

Honma's release brings the number of Japanese fishermen still detained in Russia to 22.

Food Assistance Planned for Ex-Yugoslavia

OW0803014694 Tokyo KYODO in English 0041 GMT
8 Mar 94

[Text] Tokyo, March 8 KYODO—Japan will extend assistance totaling 907.8 million yen to the World Food Program (WFP) to help people afflicted by conflicts in the former Yugoslavia, the Foreign Ministry said Tuesday [8 March].

The package includes 37.8 million yen to transport 120 million yen worth ofhardtack and some 750 million yen to purchase and transport canned fish, the ministry said.

The aid will be extended in response to requests by the WFP and other international organizations to help an estimated 4.26 million people in the strife-torn region, it said.

The people are suffering from a serious lack of food, daily goods, medical facilities, electricity, gas and water, the ministry said.

Foreign Ministry official said the latest assistance was also decided as a result of a government mission which visited the region in early January to study possible areas in which Japan can step up its aid.

Japan has so far extended a total of 82 million dollars (about 10.1 billion yen) to the United Nations High Commissioner for Refugees (UNHCR), the WFP and other organizations offering humanitarian assistance to the people in the region.

Ministry Grants Volvo Certificate To Sell Cars

OW0703080094 Tokyo KYODO in English 0642 GMT
7 Mar 94

[Text] Tokyo, March 7 KYODO—The Transport Ministry said Monday [7 March] it has granted a certificate that allows Swedish automaker Volvo to sell more than 2,000 cars a year in Japan.

Ministry officials said the type certificate is for six models and is necessary for automakers selling more than 2,000 vehicles annually in Japan.

Volvo is the first Swedish automaker to obtain such a license, they said.

The officials said the six models are all right-hand drive versions designed for the Japanese market. They said the Swedish automaker plans to sell about 8,000 cars in Japan annually.

Toyota To Market Subcompact Vehicle in Europe

OW0803152094 Tokyo KYODO in English 1459 GMT
8 Mar 94

[Text] Nagoya, March 9 KYODO—Toyota Motor Corp. said Wednesday it will enter the market for off-road four-wheel drive (4wd) subcompacts in Japan and Europe in the near future.

The 2000cc RAV4 model will be introduced domestically after May and on the European market in summer, Toyota officials said.

They refrained from revealing the price, but industry sources project it will be around 2 million yen in Japan.

The new model marks the first subcompact off-road car offered by Toyota, which has previously marketed the cars with larger capacity, the officials said.

The smaller off-road cars have gained popularity among young people because they can also be easily driven about town.

Suzuki Motor Corp. has enjoyed monthly sales of more than 1,000 units of such cars.

Algerian Minister in Tokyo for Economic Talks

LD0703092294 Algiers Radio Algiers Network in Arabic
0700 GMT 7 Mar 94

[Excerpt] Minister of Economy Mourad Benachenhou is currently in Tokyo on an official visit to Japan to discuss ways of reviving bilateral economic cooperation. During this visit he is due to hold discussions with officials of the Japanese Ministry of International Trade and Industry, the deputy director general of the Economic Planning Agency, and the assistant to the Japanese minister of foreign affairs.

Benachenhou's visit to Tokyo comes immediately after his recent visit to France during which the French government linked the issue of resuming financial aid to Algeria to the conclusion of an agreement with the IMF. [passage omitted recalling that Algeria is currently holding negotiations with the IMF on the granting of a loan]

Vietnamese Arrested on Alleged Illegal Entry

OW0803130594 Tokyo KYODO in English 1227 GMT
8 Mar 94

[Text] Nagasaki, March 8 KYODO—The Maritime Safety Agency arrested 20 Vietnamese on Tuesday [8

March] on suspicion of illegally entering the country aboard a small wooden boat the previous day.

The agency did not arrest four children found on the boat, officials said.

The Vietnamese were discovered boarding a boat anchored off Ukujima Island in the Goto group of islands, part of Nagasaki Prefecture in western Japan.

This is the first application of a new rule adopted at an international conference on refugees from Indochina in Geneva last month.

Special regulations allowing boat people from Indochina temporary immigration permits pending screening of their applications for refugee status were abolished Saturday as a result of the conference.

Under the new system, people from Vietnam, Laos and Cambodia who enter Japan without valid passports will be deported to their home countries without the option of seeking refugee status.

The boat left Haiphong with 10 people on board in October 12, 1993, and moved along the Chinese coast calling at ports where it was supplied with fuel and food, and picking up 14 more people on the way, agency officials said.

Cement Makers Plan Joint Venture in SRV

OW0803103394 Tokyo KYODO in English 1006 GMT
8 Mar 94

[Text] Tokyo, March 8 KYODO—Two major Japanese cement makers said Tuesday [8 Marcl.] they have agreed with the Vietnamese Government to negotiate for a joint cement venture in the country.

The companies, Mitsubishi Materials Corp. and Nihon Cement Co., said plans call for the construction of a plant with an annual capacity of 2.3 million tons at a location about 200 kilometers south of Hanoi.

The total investment is estimated at 35.70 billion yen, they said. The companies said they will evenly share a 70 percent stake in the venture. Products will be sold at home and also exported to neighboring countries.

Special Regulations for Indochinese Abolished

OW0703080294 Tokyo KYODO in English 0650 GMT
7 Mar 94

[Text] Nagasaki, March 7 KYODO—A group of 24 boat people from Indochina who were detained Monday [7 March] face deportation without being allowed to apply for refugee status if convicted of illegally entering Japan, the Justice Ministry said. Special regulations allowing boat people from Indochina temporary immigration permits pending screening of their applications for refugee status were abolished Saturday.

The abolition was in line with the results of an international conference on Indochina refugees held in Geneva last month, officials at the ministry's Immigration Bureau said.

Under the new system, people from Vietnam, Laos, and Cambodia, who enter Japan without valid passports will be deported to their home countries and will not have the option of seeking refugee status, the officials said.

Residents of Ukujima Island in the Goto group of islands in Nagasaki Prefecture spotted the 24 people aboard a small wooden boat anchored some three kilometers southeast of the island at around 7:20 A.M. and informed the authorities.

The boat people are being questioned by Maritime Safety Agency officials. They are thought to be from Vietnam and include seven women and four children, agency officials said.

Colombia's President Gaviria Continues Visit

PA0303131394 Santa Fe de Bogota Faravision
Television Cadena 1 in Spanish 0000 GMT 1 Mar 94

[From the "24 Hours" newscast]

[Text] President Cesar Gaviria, who was wearing a cap and gown, has denounced in Tokyo the way industrialized countries are isolating developing nations. Meanwhile, here in Colombia the controversy that his trip to Japan has sparked is still growing. Raul Gutierrez has filed a report:

[Begin recording] [Gutierrez] The rounds of applause amazed President Gaviria in Tokyo shortly before he entered the university [not specified] to receive an honorary doctoral degree and when he appeared before approximately 4,000 students wearing a cap and gown. The president explained here how Colombia was the only Latin American country that grew during the so-called lost decade, the 1980's.

He took his message elsewhere later. Bankers and industrialists told him Colombia's negative image is being exaggerated. He replied the violence his country is facing will not destabilize the economy or democracy.

[Gaviria] Foreign investors who have conducted business in Colombia during the last 30 years, including renowned Japanese companies, deem Colombia's security problem as an affordable and manageable risk.

[Gutierrez] Before he attended a meeting with journalists, he met with Prime Minister Hosokawa. President Gaviria will meet with Emperor Akihito on 1 March. [end recording]

Owada Views Tokyo's UN Security Council Role
OW0503003894 Tokyo KYODO in English 1222 GMT
4 Mar 94

[Text] Tokyo, March 4 KYODO—Japan's new ambassador to the United Nations, Hisashi Owada, indicated Friday [4 March] he will work to achieve a permanent seat for Japan in the Security Council. "Carrying out the role expected of Japan in an extremely important body such as the Security Council is important, and a large number of countries expect this (of Japan)," said the former vice foreign minister in an interview with KYODO NEWS SERVICE.

Owada, 61, who is the father of Princess Masako, wife of Crown Prince Naruhito, also said trade friction with the United States should not be allowed to cause a deterioration in the bilateral relationship. He said that in the relationship with the U.S., "there are many areas where security, the economy and society overlap."

"Becoming antagonists is out of the question," Owada said. "It is dangerous to surmise that friction will occur periodically."

Owada said the achievement of an early resolution of economic problems between the U.S. and Japan is vital. "Restructuring the economic relationship with Japan is an important mission of the administration of President Bill Clinton," he said.

Owada, who resigned as the Foreign Ministry's top bureaucrat last August, replaced Yoshio Hatano in the New York posting earlier this week.

Tokyo Not Monitoring in RSA Under UN Umbrella

OW0503065894 Tokyo KYODO in English 0629 GMT
5 Mar 94

[Text] Tokyo, March 5 KYODO—Japan will drop its bid to join a UN mission to observe South Africa's [RSA] first all-race parliamentary elections and instead will dispatch election monitors within the framework of bilateral cooperation, government sources said Saturday [5 March].

The government will not send election monitors under the UN umbrella because local circumstances portend danger such as terrorist attacks, the sources said.

Instead, the government will dispatch a dozen or so people to monitor the multiracial polls set for April at the request of the South African Government, they said.

The decision will be made by the end of this month, they said.

In January, the UN General Assembly unanimously endorsed a resolution calling for the sending of an 1,800-member mission to South Africa to monitor the elections. The United Nations has asked if it could join the mission, Foreign Ministry sources said.

Prior to the UN decision, Japan's parliamentary Vice Foreign Minister Syozo Azuma traveled to the country in early January and proposed to Pretoria that Japan dispatch election monitors to the region.

Foreign Minister Pik Botha pledged to Azuma that the South African Government will guarantee the security of Japanese election monitors during the election period, officials said.

Tokyo To Send Election Monitors to El Salvador
OW0803014594 Tokyo KYODO in English 0045 GMT
8 Mar 94

[Text] Tokyo, March 8 KYODO—The government decided at a cabinet meeting Tuesday [8 March] to send 15 election observers to El Salvador on Friday to join a United Nations peacekeeping mission there, officials said.

The dispatch is in line with a request from U.N. Secretary General Butrus Butrus-Ghali made late February to send Japanese personnel to monitor the March 20 presidential and parliamentary elections, the officials said.

A peace agreement was signed in January 1992 after a decade-long "proxy war" in El Salvador between the right-wing government, backed by the United States, and leftist guerrillas, supported by the former Soviet Union.

In a meeting with Prime Minister Morihiro Hosokawa in Tokyo last November, El Salvador's President Alfredo Felix Christiani asked Japan to send voting monitors for the elections.

The 15-member Japanese team, comprising three from the Foreign Ministry, one from the Tokyo Metropolitan Government and 11 from the private sector, will join a 900-member U.N. unit to oversee the polls in the Central American country.

All the Japanese members are proficient in speaking Spanish, the officials said.

The Japanese team is scheduled to work in El Salvador until March 31, but its stay may be extended until May 10 if no candidate wins a majority of votes to become president and vice president and a reelection is called to pick the two top leaders of the nation.

El Salvador will be the third country to which Japan sends election observers in accordance with the U.N. Peacekeeping Cooperation Law, following Angola and Cambodia.

The 1992 law stipulates that to send election monitors overseas the government must confirm three necessary conditions—a declared cease-fire, agreements by parties concerned to accept such personnel and assured neutrality in the country.

Linked Domestic, Foreign Rice Sales Reported
OW0503114094 Tokyo KYODO in English 1112 GMT
5 Mar 94

[Text] Tokyo, March 5 KYODO—The Food Agency is to order wholesalers and retailers to stop tie-in sales of domestic and foreign rice next week, saying such practices go against the Antimonopoly Law, agency officials said Saturday [5 March].

"Such practices deprive consumers from freedom to choose," an official at the agency said.

In the face of a shortfall in last year's rice crop because of the cool and rainy summer, Japan early this year began to sell foreign rice imported from Thailand and China either mixed with domestic rice or separately.

But some retailers and wholesalers are requiring customers to buy domestic and foreign rice as a set, since long-grain rice imported from Thailand is unpopular with Japanese consumers, who favor medium and short-grain rice as a food staple.

Food Agency To Enforce Blending of Rice
OW0703163794 Tokyo KYODO in English 1428 GMT
7 Mar 94

[Text] Tokyo, March 7 KYODO—The blending of Japanese and Thai rice for retail, with the latter accounting for at least 20 percent, will be mandatory as an emergency measure to cope with any attempts to hoard Japanese rice, the head of the Food Agency said Monday [7 March].

Hiroshi Ueno, director general of the agency, told reporters that to counter the high demand for Japanese rice and to ensure a fair distribution of it among consumers, retailers will be prohibited from selling Japanese rice alone.

Retailers will, in principle, be obliged to sell blends of Japanese and Thai rice, basically on an 80-20 percent basis, Ueno explained.

The agency also decided on other emergency measures, including stepped-up rice supplies from domestic producing areas to consumption centers, quicker domestic transportation of imported rice, a closer watch for attempts to hold back sales of Japanese rice in anticipation of future price rises, and a better explanation of rice supply and sales plans to consumers to dispel worries about supply shortages.

The package of emergency measures will be reported by Farm Minister Eiji Hata to a regular cabinet meeting on Tuesday.

Immediately after the meeting, the agency will start giving administrative guidance to rice wholesalers and retailers.

Cabinet Backs Imported Rice Plan
OW0803044594 Tokyo KYODO in English 0430 GMT
8 Mar 94

[Text] Tokyo, March 8 KYODO—Prime Minister Morihiro Hosokawa's Cabinet ministers agreed Tuesday [8 March] to order that imported rice must be blended with domestic rice before being sold, government officials said.

The decision, made in an unofficial session after a cabinet meeting, supports a proposal put forward by the Food Agency, which said the move is needed to stop hoarding of domestic rice.

The move was criticized by Wakako Hironaka, director general of the Environment Agency, as going against the government's deregulation policy, the sources said.

They said Farm Minister Eiji Hata stressed to the cabinet that consumers should not rush to purchase for fear of a shortage, saying, "Japan has sufficient rice. There is no need to worry."

Regarding blending, Foreign Minister Tsutomu Hata said the government needs to tell the public how to cook foreign rice. This view was echoed by Manae Kubota, director general of the Economic Planning agency.

The farm minister told reporters after the cabinet meeting that his ministry favors blending because it wants rice to be distributed equitably among consumers amid the shortage of domestic rice.

Referring to growing criticism that consumers will be forced to buy foreign rice, he said, "I know there are some problems about blended rice. Our ministry will monitor a wide range of opinions, including when to start distributing the blended rice."

Ministry Studies Plans To Avoid Rice Shortage
OW0703122294 Tokyo KYODO in English 1144 GMT
7 Mar 94

[Text] Tokyo, March 7 KYODO—The Agriculture Ministry will work out emergency measures to ensure smooth distribution of rice and dispel worries about supply shortages among consumers, officials said Monday [7 March].

The officials said the package of measures will be reported to a regular cabinet meeting on Tuesday.

After the cabinet meeting, Agriculture, Forestry and Fisheries Minister Eiji Hata will appeal to consumers to cope with the situation calmly because there is no supply shortage, the officials said.

Hata will say the ministry will release about 500,000 tons of rice per month from March to June, the same level as last year, and domestic rice will account for about 50 percent of the total supplied on the market in March, they said.

Chief Cabinet Secretary Masayoshi Takemura ordered the Food Agency to implement measures to avoid confusion among consumers, the officials said.

Kishiro Nakamura Refuses To Show for Questioning

*OW0603235594 Tokyo KYODO in English 2304 GMT
6 Mar 94*

[Text] Tokyo, March 7 KYODO—Former Construction Minister Kishiro Nakamura has refused to give himself up voluntarily to prosecutors for questioning over his alleged receipt of 10 million yen from leading general contractor Kajima Corp. in January 1992, NHK TV reported Monday [7 March].

NHK said prosecutors plan to arrest Kajima's former Vice President Shinji Kiyoyama on suspicion of involvement in the sending of the money to Nakamura.

It also said prosecutors will raid offices involved and hold a meeting shortly to discuss how to handle the probe following Nakamura's rejection to come forward for questioning.

Investigators suspect Nakamura accepted the 10 million yen in reward for his influence to help prevent the lodging of a criminal complaint against contractors by a trade watchdog body over bid-rigging practices. Nakamura's deed may constitute bribery, investigative sources said.

If convicted, a bribe taker could be imprisoned for up to five years, according to the penal code.

Nakamura, 44, an incumbent conservative member of the House of Representatives, was a senior member of the Liberal Democratic Party (LDP)'s construction lobby at the time of the receipt of the money.

He served as construction minister from December 1992 to August 1993 under then Prime Minister Kiichi Miyazawa.

Law enforcement authorities are required to ask for permission from the Diet for the arrest of a legislator while the legislature is in session. The Diet is currently in a 150-day ordinary session that started in late January.

Kajima's Kiyoyama, who is suspected of sending the money to Nakamura, allegedly asked him to put pressure on the Fair Trade Commission (FTC) not to file an accusation with prosecutors against a bid-rigging scandal involving Kajima and 65 other construction firms in Saitama Prefecture, just north of Tokyo.

A local executive of Kajima, one of Japan's three largest general contractors, reportedly served as head of a club of the 66 construction companies involved in bid-rigging in the prefecture.

At the time, Nakamura served as the deputy chairman of the LDP's panel on the Antimonopoly Law.

Nakamura reportedly met then FTC Chairman Setsuo Umezawa, 62, several times from the end of 1991 to early 1992 to discuss the FTC's activities.

The FTC, investigating the scandal involving public works projects in Saitama Prefecture, announced in May 1992 it would not file an accusation and instead ordered the 66 companies to stop the allegedly unfair business practices.

Kiyoyama, 67, has already been charged with giving a 20 million yen bribe to former Ibaraki Gov. Fujio Takeuchi while he was in office.

In a series of scandals involving major contractors, prosecutors have so far indicted two governors, two mayors and dozens of executives of construction firms. No Diet member has so far been arrested.

LDP Not To 'Pursue' Own Interests

*OW0803142994 Tokyo KYODO in English 1324 GMT
8 Mar 94*

[Text] Tokyo, March 8 KYODO—Liberal Democratic Party (LDP) president Yohei Kono said Tuesday [8 March] the LDP will not pursue party interests in considering a prosecutors' request to arrest former Construction Minister Kishiro Nakamura for his alleged receipt of a bribe.

Nakamura, 44, a House of Representatives member of the opposition LDP, has refused to comply with a Tokyo District Public Prosecutors Office request to submit to questioning regarding his alleged receipt of a 10 million yen bribe from major construction contractor Kajima Corp.

Diet permission is required for the arrest of parliamentarians while the legislature is in session. The Diet is currently in a 150-day ordinary session that started in late January.

Responding to reporters at the party's headquarters, Kono said the party's response will "depend on the contents of the request."

"We will listen to the request and respond properly," Kono said.

Kono said it is "extremely regrettable" that Nakamura is under suspicion for receiving a bribe. The party executive will conduct its own investigation, he added.

"We will have to treat this seriously," he said. "The party will have to straighten its collar and have the relevant bodies look into it."

Meanwhile, Social Democratic Party (SDP) Chairman Tomiichi Murayama said the Diet should promptly grant permission to allow prosecutors to arrest Nakamura.

"The Diet, if asked, should quickly give the go-ahead in accordance with legal procedures," Murayama told a news conference.

Murayama noted he will leave the matter up to the lower house steering committee, adding the SDP, the largest force within the coalition, has no plans to hold an internal discussion on the matter.

Yuichi Ichikawa, secretary general of Komeito, one of the seven coalition parties, also told a news conference that the Diet should endorse the prosecutors' request for the arrest if the allegation is true as media reports have claimed.

Tetsuzo Fuwa, presidium chairman of the opposition Japanese Communist Party, told reporters the Diet should approve the request.

He said it is natural for the prosecutors to conduct an investigation to probe the scandal.

Takashi Yonezawa, secretary general of the Democratic Socialist Party (DSP), another coalition member, told reporters that the prosecutors' request is unavoidable since Nakamura has refused to submit to questioning.

Yonezawa said he regrets the scandal has emerged at a time when politicians are trying to establish higher ethical standards, following enactment of an electoral reform package in late January.

Prosecutors To Ask for Diet Permit

OW0803051594 Tokyo KYODO in English 0455 GMT
8 Mar 94

[Text] Tokyo, March 8 KYODO—Prosecutors are set to ask the Diet on Tuesday [8 March] to waive the parliamentary immunity which currently provides former Construction Minister Kishiro Nakamura with protection from arrest, investigative sources said.

Nakamura, 44, currently a Liberal Democratic Party (LDP) member in the House of Representatives, is suspected of taking 10 million yen from leading general contractor Kajima Corp. in January 1992, the sources said.

Nakamura is also suspected of using his influence as a Diet member to head off a Fair Trade Commission (FTC) criminal complaint against major contractors over alleged bid-rigging, the sources said.

At the time, Nakamura was the deputy chairman of the LDP's panel on the Antimonopoly Law. He served as construction minister from December 1992 to August 1993 under then Prime Minister Kiichi Miyazawa.

The prosecution's petition for Diet permission of arrest will mark the 15th time in postwar history that prosecutors have sought to arrest a legislator during a Diet session and the first since a 1967 scandal involving taxi operators in Osaka.

The House of Representatives will decide on the request to arrest Nakamura after its steering committee considers whether to approve it.

Investigators suspect Nakamura accepted the 10 million yen from contracting giant Kajima in return for his efforts to deflect the FTC complaint, which concerns a bid-rigging cartel in Saitama Prefecture, just north of Tokyo, the sources said.

Nakamura has refused repeated requests by the Tokyo District Public Prosecutors Office to appear for questioning regarding his alleged receipt of the money, they said.

Diet permission is required for the arrest of a parliamentarian while the legislature is in session. The Diet is currently in a 150-day ordinary session that started in late January.

On Monday, Tokyo prosecutors met senior prosecutors of the Supreme Public Prosecutors Office and the Tokyo High Public Prosecutors Office and decided to raid Nakamura's offices and the Tokyo headquarters of Kajima, the sources said.

Prosecutors also plan to rearrest a former vice president of Kajima, Shinji Kiyoyama, on suspicion of involvement in delivering the money to Nakamura, they said.

Investigations show Kiyoyama approached Nakamura in the summer of 1991, seeking his help in pressuring the FTC not to file an accusation against a cartel of 66 construction firms believed to have rigged bids on public works projects in Saitama Prefecture, the investigative sources said.

Nakamura reportedly met then FTC Chairman Setsuo Umezawa, 62, several times from the end of 1991 to early 1992 to discuss the FTC's activities.

The FTC, which investigated the Saitama Prefecture bid-rigging, announced in May 1992 it would not file an accusation with public prosecutors, and instead ordered the contractors to stop the bid-rigging.

Nakamura's alleged receipt of the 10 million yen could constitute intermediary bribery under the penal code which says public officials cannot receive money for influencing other public officials, investigative sources said.

Recipients of such a bribe can be punished with up to five years imprisonment, according to the penal code.

Kajima's Kiyoyama, 67, has already been charged with giving a 20 million yen bribe to then Ibaraki Gov. Fujio Takeuchi in December 1992.

A series of scandals involving major contractors has so far led to the arrest of two governors, two mayors and 29 leading executives of eight construction firms.

The arrest in March 1993 of LDP kingmaker Shin Kanemaru led to the contractors' bribery scandal. Kanemaru has been charged with evading a huge amount of taxes on his undeclared incomes which were mainly secret donations from contractors.

Cabinet Approves Arrest Permit

*OW0803110594 Tokyo KYODO in English 1036 GMT
8 Mar 94*

[Excerpts] Tokyo, March 8 KYODO—The cabinet of Prime Minister Morihiro Hosokawa asked the Diet on Tuesday [8 March] to strip former Construction Minister Kishiro Nakamura of parliamentary immunity to allow prosecutors to arrest him on suspicion of bribery, officials said. Nakamura, 44, a House of Representatives member of the main opposition Liberal Democratic Party (LDP), is suspected of taking a 10 million yen kickback from leading general contractor Kajima Corp. in January 1992, investigative sources said.

Prosecutors applied for a warrant of arrest for Nakamura from the Tokyo District Court. Nakamura has repeatedly refused to voluntarily face questioning, the sources said.

The prosecution's request for Diet permission to arrest a legislator is the 15th in the postwar period and the first since a 1967 case involving taxi operators in Osaka and a then LDP member.

The cabinet approved the arrest permit issued by the Tokyo District Court. [passage omitted]

The lower house will hold a plenary session to decide whether to give the go-ahead to Nakamura's arrest.

Prosecutors of the Tokyo District Public Prosecutors' Office, meanwhile, raided Nakamura's office in Tokyo's Chiyoda ward and the head office of the Japan Federation of Construction Contractors, a major association of builders, on Tuesday afternoon to search for evidence, the sources said.

Prosecutors have also rearrested Shinji Kiyoyama, a former senior vice president of Kajima. [passage omitted]

Nakamura Vows To Fight in Court

*OW0803110494 Tokyo KYODO in English 1039 GMT
8 Mar 94*

[Text] Tokyo, March 8 KYODO—Former Construction Minister Kishiro Nakamura, who has been accused of taking a 10 million yen bribe from a major construction firm, said Tuesday [8 March] he will take his fight to court.

Nakamura said in a statement through his lawyer that the truth and substance of the bribery scandal would be distorted if he were to agree to be questioned by prosecutors.

He said he would rather have prosecutors issue a warrant of arrest to "get it settled once and for all in court."

Prosecutors have requested permission to issue an arrest warrant against Nakamura, who has repeatedly refused to voluntarily present himself to prosecutors for questioning on suspicion of taking the 10 million yen bribe from leading general contractor Kajima Corp. in 1992.

FTC Searches Contractors for Bid Rigging Proof

*OW0803091694 Tokyo KYODO in English 0801 GMT
8 Mar 94*

[Text] Tokyo, March 8 KYODO—The Fair Trade Commission (FTC) searched the offices of a contractors' association and over 20 member companies in Tochigi Prefecture on Tuesday [8 March] for evidence of suspected bid rigging, commission officials said.

The companies are suspected of illegally conspiring to repeatedly fix bidding prices for municipal and prefectoral public works projects.

The prefectoral association's branch office in Utsunomiya, north of Tokyo, which lists 146 engineering works companies, was subjected to the compulsory search.

The searches were the first by the FTC since it investigated a contractors' association in Yamanashi Prefecture last May.

Marubeni Ordered To Pay Iida Sangyo for Fraud

*OW0803052294 Tokyo KYODO in English 0505 GMT
8 Mar 94*

[Text] Fukuoka, March 8 KYODO—The Fukuoka District Court ordered major trading house Marubeni Corp. on Tuesday [8 March] to pay 3.65 billion yen to a steel frame trader which went bankrupt due to bogus business deals involving Marubeni officials.

Presiding Judge Koji Maki said "business deals former executives made in the name of Marubeni are valid," fully supporting claims by the trustees of Iida Sangyo Co., based in Fukuoka, who demanded for payment of the outstanding sum by Marubeni.

Iida Sangyo executives made no mistake in accepting orders sealed and placed by Marubeni officials, as "according to the commercial code the former (Marubeni) executives were acting as trade employees with the powers of representation," the ruling said.

Marubeni, Iida Sangyo and Kyowa Co., a now-defunct steel-frame producer, signed a sales contract for steel frames in March 1986.

From that time, Marubeni placed orders with Kyowa through Iida Sangyo, which also advanced the money for the deals.

Marubeni refused to refund Iida Sangyo a total of 3.65 billion yen for six orders placed between April to September 1990, claiming it had not placed any new orders with the company after August 1988.

Due to the outstanding 3.6 billion yen owed by Marubeni and further claims amounting to 2.2 billion yen against Kyowa, Iida Sangyo had to file for bankruptcy. The Fukuoka District Court eventually declared the company insolvent in February 1991.

Cabinet Approves Local Tax Cut Bills 8 Mar
OW0803013194 Tokyo KYODO in English 0046 GMT
8 Mar 94

[Text] Tokyo, March 8 KYODO—Prime Minister Morihiro Hosokawa's cabinet approved Tuesday bills to cut local taxes, as part of a planned one-year 6-trillion yen reduction in income taxes for 1994. The bills, still subject to Diet approval, call for a 1.7 trillion yen reduction in residential tax, while also allowing local governments to issue debt-financing bonds to pay for the local tax cut.

Leaders of the ruling coalition agreed last month to cut income taxes for one year as part of the latest recession-fighting package designed to stimulate the sluggish economy.

Mieno Sees Need To Watch Interest Rate Trend
OW0803024794 Tokyo KYODO in English 0216 GMT
8 Mar 94

[Text] Tokyo, March 8 KYODO—Bank of Japan (BOJ) Governor Yasushi Mieno said Tuesday [8 March] the central bank needs to keep a close watch on rising trends in long-term open-market interest rates.

Short-term interest rates have stayed at low levels while long-term rates keep rising. Mieno was quoted as telling cabinet ministers concerned with the economy.

His remarks were quoted at a press conference by Manae Kubota, director general of the Economic Planning Agency (EPA), at which she announced the agency's monthly economic report.

She quoted Mieno as saying that market yields on long-term government bonds are on the rise, reflecting diminishing expectations of a fall in interest rates, the global uptrend in money market rates and the deteriorating supply-demand situation in the domestic bond market.

Long-term government bond yields are also climbing in response to pickups in some parts of the nation's economy, Mieno was also quoted as saying.

The latest EPA economic report described the current economic state as "generally sluggish although showing some brighter signs," an improvement from "general sluggishness" in the previous report.

Mieno was also quoted as saying plus and minus factors are still conflicting in the Japanese economy. The BOJ will thus keep closely monitoring the trend in interest rates in steering the nation's monetary policy, he said.

On Japan's money supply, Mieno said the key money supply growth gauge is staying at low levels.

Meanwhile, EPA chief Kubota, referring to the latest economic report, said Japan's economy is heading in "a better direction."

But she warned against excessive optimism on the outlook, saying the EPA will cautiously watch developments.

Last summer, the EPA withdrew a statement that the economy had bottomed out. She said, "burgeoning buds in some part of the economy should be nurtured so that they become full blown."

Fujii: National Economy 'Clearly Bottomed Out'

OW0603081694 Tokyo KYODO in English 0749 GMT
6 Mar 94

[Text] Utsunomiya, March 6 KYODO—Finance Minister Hirohisa Fujii said Sunday [6 March] that the Japanese economy has "clearly bottomed out," adding that although the economic situation is in a delicate stage, various factors (indicating economic affairs) are gradually improving.

Fujii expressed his views on the current state of the country's economy, plagued by the longest recession in the postwar period, during a speech in Oyama, Tochigi Prefecture, north of Tokyo.

Fujii also expressed strong hope to raise taxes designed to fund welfare programs by increasing the current 3 percent consumption tax.

He said that financing Japan's increasingly aging society with income tax revenues has reached its limits.

Fujii said that while in office he wants to lay the groundwork for setting up a tax system to finance pension funds and a care system for the elderly.

Planning Agency: Economy Remains Sluggish

OW0803001594 Tokyo KYODO in English 2355 GMT
7 Mar 94

[Text] Tokyo, March 8 KYODO—Japan's economy remains sluggish as a whole, though only some areas of personal spending show a slight recovery, the Economic Planning Agency said in a monthly report Tuesday [8 March].

The agency said the nation's economy is still undergoing adjustment and in an overall slump, practically unchanged from expressions used in the previous month's report.

An agency official briefing reporters said there are some signs showing an upswing such as household spending, durable good sales and spending for leisure.

"But for such positive indicators the levels are still low and there are too many other negative indicators," the official said.

Private-sector capital spending plans for fiscal year 1994 that starts April 1 will decline 4.5 percent from the previous year, according to a quarterly survey conducted by the Bank of Japan in February.

On the labor front, unemployment has steadily increased and job offers have decreased, particularly in the manufacturing sector.

The report noted that inventory reduction has progressed but industrial output has been lackluster.

Concerning business failures, the figure for companies going broke stood at the previous year's level, it said.

The only bright spots are public works spending, boosted by the government's efforts to stimulate the economy, and booming housing construction, buoyed by low interest rates, the report said.

Fifty Percent of Manufacturers Cut Work Force

*OW0803103194 Tokyo KYODO in English 0951 GMT
8 Mar 94*

[Text] Tokyo, March 8 KYODO—The ratio of manufacturing companies that adopted any measures to adjust their work forces from October to December 1993 reached 50 percent of the total, the highest ratio seen since the mid-1970s, the government said Tuesday [8 March].

A similar survey noted a 51 percent ratio in the first three months of 1976, when Japan was suffering from a recession stemming from an oil crisis.

In February, the Labor Ministry polled 5,359 companies with more than 30 employees across the nation. Of them, 3,345 replied.

The ministry said the latest ratio is a 4 percentage point rise from the level seen in the July-September period.

As for trimming the work force, 38 percent of the respondents cut overtime and 24 percent decreased or suspended new hirings.

Seven percent temporarily closed factories, up 5 percentage points from the previous survey, and 2 percent called for early retirement or dismissed employees, an increase of 1 percent from the previous poll.

As for the service industry, the ministry said the ratio of companies that reduced staffers increased by 7 percentage points to 31 percent.

The ratio for companies in the wholesale, retail sales and restaurants industries, on the other hand, declined by 9 percentage points to 27 percent.

MITI Reports Power Consumption Rose in Jan

*OW0703080194 Tokyo KYODO in English 0707 GMT
7 Mar 94*

[Text] Tokyo, March 7 KYODO—Japan's electric power consumption in January increased 1.2 percent from a year earlier to 71.2 billion kilowatt-hours, the Ministry of International Trade and Industry (MITI) said Monday [7 March].

Power consumption for nonindustrial use rose 3.7 percent to 36.1 billion kilowatt-hours, while that for industrial use fell 1.2 percent to 35.1 billion kilowatt-hours.

Of nonindustrial demand, household power consumption rose 3.1 percent and electricity used in office buildings gained 5.5 percent. Nonindustrial power demand also includes railways.

Of industrial consumption, large-lot demand dropped 1.4 percent, scoring the seventh month running of declines from year-earlier levels as the economic slump continued, MITI said.

Keidanren Picks Four New Vice Chairmen

*OW0703080394 Tokyo KYODO in English 0734 GMT
7 Mar 94*

[Text] Tokyo, March 7 KYODO—The influential Federation of Economic Organizations (Keidanren) has tentatively picked four senior business executives as its new vice chairmen, Keidanren sources reported Monday [7 March].

The four are Sho Nasu, 69, chairman of Tokyo Electric Power Co., Kenichi Suematsu, 68, president of Sakura Bank, Joichi Aoi, 67, chairman of Toshiba Corp., and Josei Ito, 64, president of Nippon Life Insurance Co., the sources said.

Of Keidanren's 12 vice chairmen, four are resigning, including Hiroshi Saito, 73, chairman of Nippon Steel Corp., who will serve as an adviser to the chairman.

Keidanren earlier announced that its new chairman will be Shoichiro Toyoda, 69, chairman of Toyota Motor Corp., succeeding Gaishi Hiraiwa, 79, an adviser to Tokyo Electric Power Co., who will resign.

Eight vice chairmen, including Isao Nakauchi, 71, chairman and president of Daiei Inc., will remain in their posts, the sources said.

The selection will be formalized at the federation's regular convention slated for May 27, they said.

North Korea

U.S. Plan To Deploy Helicopters in ROK Denounced

SK0703230894 Pyongyang Korean Central
Broadcasting Network in Korean 2200 GMT 7 Mar 94

[Text] According to a radio report from Seoul on 7 March, the U.S. imperialists announced that they will deploy two Apache helicopter battalions to South Korea to reinforce U.S. imperialist aggressor forces in South Korea around 15 March, going against aspirations of the world's people who desire relaxation of tension on the Korean peninsula.

The U.S. imperialists' current step to deploy Apache helicopters, which are known to be the main offensive helicopters of the U.S. Army, is part of arms buildup maneuvers intended for a northward invasion, and is very alarming [simsangchi anta].

Just as the third round of DPRK-U.S. talks is at hand, the U.S. imperialists are running wild with arms buildup maneuvers intended for a northward invasion. This clearly shows that they have no faithfulness [sinui] and sincerity as a dialogue partner and are continually creating disturbances [changepae] in DPRK-U.S. talks.

Ministry Urges South To Repeal Security Law

SK0803052094 Pyongyang KCNA in English 0512
GMT 8 Mar 94

[“DPRK Foreign Ministry Spokesman Urges Repeal of ‘NSL’ in S. Korea”—KCNA headline]

[Text] Pyongyang, March 8 (KCNA)—If the North-South dialogue is to progress successfully and the peace and peaceful reunification of the Korean peninsula to be achieved, such fascist laws as the “National Security Law” [NSL] must be abolished without delay in South Korea, said a spokesman for the Foreign Ministry of the Democratic People’s Republic of Korea today.

Answering a question put by KCNA about the controversy between the U.S. and South Korean authorities over the abrogation of the “NSL”, the spokesman said:

Recently, the United States expressed its official position calling for the abolition of the “NSL” in South Korea.

Several days ago, U.S. Deputy Assistant Secretary of State Hubbard, speaking at a university of the United States, held that the “NSL” of South Korea must be scrapped. Afterwards, Secretary of State Christopher stated that this demand was not a person’s view but an official position of the United States.

As well known the world, the “NSL” of South Korea is a fascist law that defines the North as an “anti-state organization” and prohibits free dialogue and exchange between the North and the South and is an offspring of the military dictatorship.

The successive military dictatorial regimes of South Korea have harshly suppressed South Korean people, fostered North-South confrontation and obstructed national reunification by invoking the anti-communist fascist laws such as the “NSL” under the patronage of the United States.

Those in the “civilian” regime in South Korea have trampled underfoot human rights and obstructed reunification and dialogue so recklessly that even high-placed officials of the United States called for the abrogation of the “NSL.”

The Kim Jong-sam regime is branded as a “civilian fascist” regime because it keeps the “NSL” intact. And it is also due to the “NSL” that the multi-channel dialogues and exchange between the North and the South were foiled without progress in the past and many South Korean people were put into prison or killed for their demand for national reunification or visit to the North.

Such being the case, the “NSL” can be termed the second concrete wall, from the legal point of view, built with in South Korea by the South Korean authorities as high as their concrete wall running along the Military Demarcation Line.

The “NSL” should have been abolished when the agreement on reconciliation, nonaggression, cooperation and exchange between the North and the South was adopted and effectuated.

It is a good thing that the U.S. Administration called for the abolition of the “NSL”, the biggest obstacle to the North-South relations, though belatedly. I think that the call came from its understanding that the “NSL” is one of the factors that impede the progress of the negotiation between the North and the South of Korea.

Radio on Ministry Statement

SK0803131694 Pyongyang Korean Central
Broadcasting Network in Korean 1213 GMT 8 Mar 94

[Text] Answering a question put by a KCNA reporter about the controversy between the United States and South Korean authorities over the abrogation of the National Security Law, a DPRK Foreign Ministry spokesman said today:

Recently, the United States expressed its official position calling for the abolition of the National Security Law in South Korea.

Several days ago, U.S. Deputy Assistant Secretary of State Hubbard, speaking at a university of the United States, held that South Korea’s National Security Law must be scrapped. Afterward, Secretary of State Christopher stated that this demand was not a personal view but an official position of the United States.

As the world knows well, South Korea’s National Security Law is a fascist law that defines the North as an “anti-state organization” and prohibits free dialogue and

exchange between the North and the South and is an offspring of the military dictatorship.

The successive military dictatorial regimes of South Korea have harshly suppressed the South Korean people, fostered North-South confrontation, and obstructed national reunification by invoking the anti-communist fascist laws such as the National Security Law under the patronage of the United States.

Those in the so-called civilian regime in South Korea have trampled underfoot human rights and obstructed reunification and dialogue so recklessly that even high-placed officials of the United States have called for the abrogation of the National Security Law.

The Kim Jong-sam regime is branded as a civilian fascist regime because it keeps the National Security Law intact. And it is also due to the National Security Law that the multi-channel dialogues and exchange between the North and the South were foiled without progress in the past and many South Korean people were put into prison or killed for their demand for national reunification or visit to the North. Such being the case, the National Security Law can be termed the second concrete wall, from a legal point of view, built within South Korea by the South Korean authorities as high as their concrete wall running along the Military Demarcation Line.

The National Security Law should have been abolished when the agreement on reconciliation, nonaggression, cooperation, and exchange between the North and the South was adopted and effectuated.

It is a good thing that the U.S. Administration called for the abolition of the National Security Law, the biggest obstacle to North-South relations, though belatedly. I think that the call came from its understanding that the National Security Law is one of the factors that impede the progress of the negotiation between the North and the South of Korea.

If the North-South dialogue is to progress successfully and if peace on the Korean peninsula and the country's peaceful reunification are to be achieved, such fascist laws as the National Security Law must be abolished in South Korea without delay.

Plan To Move Koreans in Russia to ROK Opposed

SK0803102594 Pyongyang KCNA in English 1010
GMT 8 Mar 94

[Text] Moscow, March 7 (KCNA) [dateline as received]—"If the South Korean and Japanese authorities persisted in their insidious plot to take Korean residents in Sakhalin to South Korea, turning a deaf ear to our solemn warning, they would never be able to evade the responsibilities for insulting and abusing the noble idea of humanitarianism", said the chairman of

the Federation of Koreans in Russia for Reunification, Yi Tong-chol, in a statement on March 1.

"The residence of Koreans in Sakhalin is attributable to the Japanese imperialists who illegally occupied Korea and forcibly took Koreans there by issuing the unlawful 'general mobilization order', drove them hard and left them there", he noted, and went on:

"The problem of the Koreans taken to the Far East of Russia by the Japanese imperialists is not confined to over 40,000 Koreans now residing in Sakhalin. It can be solved only when the Japanese Government sincerely apologizes and makes post-war compensations to the entire Koreans living scattered all over the territory of the former Soviet Union.

"We Koreans in Russia join all other Koreans living in the territory of the former Soviet Union in strongly opposing the sinister and crafty scheme of the South Korean and Japanese authorities to move our fellow countrymen to South Korea we will wage a vigorous struggle for defence of our national dignity and interests."

South's 'Industrial Peace' Doctrine Criticized

SK0703152594 Pyongyang KCNA in English 1513
GMT 7 Mar 94

["'Industrial Peace' Is Reactionary Slogan for Exploiting and Oppressing Workers"—KCNA headline]

[Text] Pyongyang, March 7 (KCNA)—NODONG SINMUN today carries an article on the reactionary "industrial peace" doctrine of the traitor Kim Jong-sam of South Korea.

"Industrial peace" is a South Korean version of the "labor-management cooperation" which had been claimed by capitalists and their servants from the initial period of development of capitalism with a view to exploiting and oppressing workers by appeasing and deceiving them, the article says, and goes on:

The reactionary essence of the "industrial peace" clamored about by the Kim Jong-sam group lies, above all, in that it is a slogan of fascist repression for shifting the blame for economic catastrophe on to workers and stifling their struggle for their vital rights and democracy at the point of the bayonet.

The puppets allege that a "wage hike should be curbed" and an "industrial peace" be achieved in order to find a way out of crisis, ascribing the serious crisis of the South Korean economy to the workers who demand a "higher pay" and cause "labour-management disputes". The very ones who have driven the economy to a catastrophic phase are now preaching "industrial peace", laying the blame for the economic crisis of South Korea at the door of workers. This is a shameless distortion of reality. What they really intend is to find a pretext for more harshly suppressing the labour movement.

The reactionary nature of the Kim Yong-sam group's much-touted "industrial peace" lies also in that it is a deceptive slogan for enabling comprador capitalists to exploit workers at will, paralyzing workers' class consciousness and fighting spirit and thus keeping them from turning out in the struggle for the right to existence and democratic freedom.

The allegation of the Kim Yong-sam group that workers and employers should work for "mutual cooperation" and "concord" to "fix industrial peace" is nothing but a reactionary ballyhoo intended to emasculate the class consciousness and the spirit of resistance of workers.

The way for the South Korean workers to free themselves from the present-day slave labour and hardships of living lies in their strenuous struggle for the right to existence and democratic freedom, not in "labor-management cooperation" and "industrial peace".

South Urged To Stop Dumping Nuclear Waste

SK0703153194 Pyongyang KCNA in English 1520
GMT 7 Mar 94

[Text] Pyongyang, March 7 (KCNA)—Hwang Sang-chun, chairman of the State Environmental Commission of the DPRK, strongly urged the South Korean authorities to immediately stop nuclear waste dumping in the sea and take emergency measures to prevent nuclear leakage.

Speaking at a press conference here today, he told home and foreign reporters that the South Korean authorities dumped 29,513 curies of liquid waste, 84,737 curies of gas waste and 29,034 drums of solid waste in seven years from 1986 to 1992.

He ascribed their dumping of a large amount of nuclear waste in the sea to their anti-popular policy, the backwardness of the technological levels of atomic energy facilities and, especially, their clandestine promotion of nuclear arms development.

According to him, the authorities in South Korea have paid no heed to the health and lives of the population and environmental protection in constructing and running nuclear power stations, and failed to regularly check, repair and readjust machinery, while immersing themselves only in power production for money-making. Subsequently, there have been not infrequent leakages of radioactive substances due to breakdown, damages, etc.

It is no secret that the "Taedok research complex" in South Korea, has nuclear reprocessing facilities now operated under the name of "a research reactor".

The spent nuclear fuel from the reactors in South Korea is turned into plutonium through reprocessing facilities now concealed at the "Taedok research complex" and used to develop nuclear weapons.

He condemned dumping of nuclear waste into the sea by the South Korean puppets as a wanton violation of

international accords, barbarism and anti-national, anti-human crimes to exterminate the nation and mankind.

He sternly warned that if the South Korean puppets continue dumping nuclear waste into the sea and accelerating the development of nuclear weapons, they will have to bear responsibility for the consequences arising therefrom and face strong denunciation at home and abroad.

Chairman Hwang Sang-chun and Yi Hak-sun, an expert of nuclear safety and radioactive protection, answered questions put by reporters. Exposing the scheme of the South Korean puppet clique to build a nuclear power plants in Kosong, South Korean Kangwon Province, they said that if the power plant is built at the place less than 10 kilometres from the Military Demarcation Line, nuclear pollution will directly affect the northern half of the country.

Hanminjon Urges End to Dumping

SK0803105694 Pyongyang KCNA in English 1001
GMT 8 Mar 94

[Text] Pyongyang, March 8 (KCNA)—Cho Il-min, chief of the Pyongyang mission of the South Korean National Democratic Front (Hanminjon), in a statement on March 4 urged the Kim Yong-sam group to stop dumping of nuclear waste and apologize to the nation and mankind for it.

"The Kim Yong-sam group is dumping into the sea a fabulous amount of radioactive substances which destroy the natural ecosystem and inflict fatal damages on human body," he noted, and went on:

"Such act shows that they are, indeed, an enemy of the nation who is clean indifferent to the existence of the 70 million fellow countrymen, and international criminals who pay no heed to the importance of the international natural ecosystem."

"The nuclear waste dumping by the Kim Yong-sam group is not unrelated to the nuclear development stepped up in secrecy in South Korea. One of the purposes sought by them in their malicious anti-DPRK row over the fictitious 'nuclear issue' is to conceal their nuclear development programme."

"With the Kim Yong-sam group left alone, the nation cannot evade a nuclear holocaust."

"Hanminjon will get firmly united with the patriotic-minded people of various strata in South Korea and wage a vigorous anti-war, anti-nuke movement and force the bellicose group of Kim Yong-sam, a despicable nuclear war servant, out of power."

ROK Students March Against Rice Market Opening

*SK0703050294 Pyongyang KCNA in English 0445
GMT 7 Mar 94*

[Text] Pyongyang, March 7 (KCNA)—More than 1,000 students under the Kwangju-South Cholla Provincial Federation of General Student Councils (Namchongnyon) including Chonnam National University and Choson University Saturday held a demonstration against the anti-national rice market opening of the Kim Yong-sam group, according to a radio report from Seoul.

The demonstrators resisted against the suppression by combat police with a fierce stone-pelting, shouting "We are dead set against rice market opening".

They also protested against the police search into Chonnam National University and Choson University at the end of February, and strongly demanded that the puppet authorities immediately stop the repressive moves to disorganise Namchongnyon.

Prior to the demonstration, the students set the struggle against the United States which forced rice market opening and the struggle for resignation of the Kim Yong-sam puppet regime as the orientation of this year's struggle.

Buddhist Bell Ttolled as Protest

*SK0703111994 Pyongyang KCNA in English 1027
GMT 7 Mar 94*

[Text] Pyongyang, March 7 (KCNA)—The bell [words indistinct] in Chongno District, Seoul, which is tolled at the time of Buddhist rites, was recently struck eight times at around noon when there was no ritual, South Korea's KYONGHYANG SINMUN newspaper reported.

It was once tolled contrary to usual practice 75 years ago, at the time of the March 1st popular uprising.

The Buddhist monks defined rice market opening by the Kim Yong-sam puppet clique as contravening the Buddhist rules and sounded the bell while an all-people rally against rice market opening was taking place on the Seoul railway station plaza.

This was an expression of their opposition to rice market opening and dismayed the puppet clique.

South's 'Suppression' of Demonstrations Decried

*SK0703052494 Pyongyang KCNA in English 0450
GMT 7 Mar 94*

[Text] Pyongyang, March 7 (KCNA)—The Secretariat of the Committee for the Peaceful Reunification of the Fatherland Sunday issued its information No. 645 denouncing the recent sword-brandishing suppression of the just struggle of South Korean people and students by the traitor Kim Yong-sam clique.

Recalling that the traitor Kim Yong-sam clique recently cracked down on a demonstration of the participants in a rally marking the 75th anniversary of the March 1st popular uprising at the point of bayonet and is continuing to suppress the righteous struggle of people of all walks of life for independence, democracy and reunification including the struggle against rice market opening, the information said:

Such suppression, which was committed at a time when the traitor Kim Yong-sam issued an order to crack down on the right struggle of the South Korean people, labelling it "illegal" and "violent" one, is a clear proof that the South Korean puppets are throwing away even the formal "civilian" veil, openly resorting to the sword-brandishing fascist rule. The suppression at the point of bayonet cannot save the Kim Yong-sam group from the crisis of power.

As long as the traitor Kim Yong-sam as crafty as a fox remains in power, independence and democracy can neither be realized nor can existence itself be kept. The South Korean people should rise up in the struggle to overthrow the Kim Yong-sam group.

Hanchongnyon Claims Campus Surveillance in Seoul

*SK0703105894 Pyongyang KCNA in English 1010
GMT 7 Mar 94*

[Text] Pyongyang, March 7 (KCNA)—The South Korean Federation of General Student Councils (Hanchongnyon) called a press conference at Hanyang University in Seoul on Friday and released a statement on the fact that a police officer belonging to the puppet Seoul District Police Agency had sneaked into the university and was nabbed while watching the tendencies of university students, according to radio report from Seoul.

The statement charges that the police had been engaged in campus surveillance after forming an exclusive detective group in charge of Hanchongnyon five months ago.

"This campus surveillance is designed to prevent a struggle of students against rice market opening," noted the statement.

CPRF Denounces South for Suppressing 'Struggle'

SK0703062994 Pyongyang Korean Central Broadcasting Network in Korean 2213 GMT 6 Mar 94

[Communique No. 645 issued by the Committee for the Peaceful Reunification of the Fatherland Secretariat in Pyongyang on 6 March]

[Text] The Committee for the Peaceful Reunification of the Fatherland [CPRF] Secretariat issued a communique denouncing the Kim Yong-sam traitorous clique for suppressing with arms [chongkallo tanap] the just

struggle by the South Korean people, youth, and students, berating it as an illegal and violent deed.

CPRF Secretariat Communique No. 645 reads:

Lately, fascist oppressive maneuvers by the puppet clique with the mask of a civilian government are being conducted more openly in South Korea.

According to reports, on 1 March, when some 2,000 Seoul citizens and college students marched on the street, shouting slogans "Yankee go home", "Cancel the plan to deploy patriot missiles in South Korea" after holding a meeting marking the 75th anniversary of the 1 March popular uprising, the Kim Yong-sam traitorous clique repressed the protesters with arms and forcibly dispersed them by mobilizing the riot police, thus committing fascist violence.

Prior to this, on 23 February, when some 400 students of universities in Kwangju, including Chonnam and Choson Universities, launched a demonstration, shouting slogans against the rice market opening, the fascist clique savagely repressed them by letting the armed police move out and release tear gas.

On 25 February, the puppet police showered tear gas indiscriminately at college students in Kwangju, who were staging a demonstration opposing the National Assembly ratification of the nation-selling opening of the agricultural market. The rascals released so much tear gas that patients at the nearby Chonnam University Hospital had to seek help to take shelter.

After the indiscriminate oppression at the demonstration site, the puppets tyrannized by letting the riot police move to Chonnam and Choson Universities, where they conducted a surprise search and confiscation and incarcerated many students.

In mid-February, the puppets arrested students participating in an anti-U.S. demonstration in the front of the American Center in Kwangju and hauled in 23 students engaged in anti-U.S. agitation activities in front of the Kwangju Post Office.

Moreover, the puppets did not hesitate in committing an atrocity by arresting four students, including Yi Chang-yol of Kyongbuk University in Taegu, for posting a notice supporting the North's insistence on a billboard, by invoking the National Security Law.

The South Korean students, the target of the puppets' oppression, are patriotic students who oppose outside forces, acts of selling the nation, and the confrontation between fellow countrymen while insisting on independence and desiring the reunification through alliance with communism and the North. Their struggle and desire cannot be a crime.

Nevertheless, these fascist oppressive maneuvers following the oppressive order to control with arms the South Korean people's just struggle, which puppet traitor Kim Yong-sam issued while berating it as an illegal and

violent deed on many recent occasions, clearly prove that the South Korea puppets are now openly adhering to the fascist rule with arms after casting off its perfunctory civilian mask.

The oppression with arms cannot save the Kim Yong-sam ring from the power crisis [chonggwon wigij].

The South Korean people cannot achieve independence or democracy, nor can they even maintain their lives, leaving traitor Kim Yong-sam, who is as crafty as a fox, at the post of power.

The South Korean people in various classes and strata should struggle more stalwartly [kwagamhi] to overthrow [tado] the Kim Yong-sam ring, which sells the interest of the country and the people while depending upon outside forces and makes fascist oppression and treachery to the country and the nation commonplace.

[Issued] 6 March 1994, Pyongyang

Foreign Media Report on Kim Il-song's Letter
SK0703102094 Pyongyang KCNA in English 1003
GMT 7 Mar 94

[Text] Pyongyang, March 7 (KCNA)—"For the ultimate solution of the rural question under the banner of the socialist rural theses," the letter sent by the great leader President Kim Il-song to the National Agricultural Conference, was reported by foreign news media.

The Burundian television said on February 26:

The great President Kim Il-song in the letter reviewed the brilliant victory in carrying through the socialist rural theses and put forward the task to advance the rural construction onto a higher stage.

He said that irrigation, electrification and mechanization of agriculture and chemical application in farming have been realized and water, bus and television services have been introduced and clinics developed into hospitals in the rural areas of Korea.

He put forward the five major tasks to complete electrification, water supply and bus service at a higher level in the rural areas and realize central-heating and gas systems in the rural villages in order to eliminate the distinctions between urban and rural communities in living conditions.

He noted that the form and method of converting cooperative property into all-people property must accord with the socialist rural economic management system of Korea and the specific conditions in Korean rural communities.

The letter was reported by the Indonesian paper INDO-NESIAN OBSERVER, the Singaporean paper STRAITS TIMES, the Romanian papers EVENIMENTUL ZILEI,

DIMINEATA, NATIUNEA and ROMPRES, the Malaysian paper SIN CHEW JIT POH, radio Mongolia, radio Equatorial Guinea, Thai television and Zimbabwean radio and television.

Kim Chong-il Replies to Foreign Leaders

*SK0803050594 Pyongyang KCNA in English 0432
GMT 8 Mar 94*

[Text] Pyongyang, March 8 (KCNA)—The dear leader Comrade Kim Chong-il sent messages to heads of state of different countries in reply to their greetings on the occasion of his birthday.

The reply messages went to His Majesty Norodom Sihanouk, king of the kingdom of Cambodia, Yasir 'Arafat, president of the State of Palestine and chairman of the executive committee of the Palestine Liberation Organization, Muhammad Husni Mubarak, president of the Arab Republic of Egypt, Lansana Conte, president of the Republic of Guinea, Blaise Compaore, president, head of state, chairman of the council of ministers and supreme commander of Armed Forces of Burkina Faso, Mohamed Abdelaziz, president of the Saharan Arab Democratic Republic and general secretary of the Polisario Front, Valentine Esegragbo Melvin Strasser, head of state and chairman of the National Provisional Ruling Council of Sierra Leone, France Albert Rene, president of the Republic of Seychelles, and Obiang Nguema Mbasogo, president of the Republic of Equatorial Guinea, founder-chairman of the Democratic Party and commander-in-chief of Armed Forces of Equatorial Guinea.

Comrade Kim Chong-il also sent reply messages to Raul Castro Ruz, second secretary of the Central Committee of the Communist Party of Cuba and minister of revolutionary Armed Forces of Cuba, and to Norodom Ranariddh, first prime minister, and Hun Sen, second prime minister, of the government of the Kingdom of Cambodia.

In the reply messages he expressed the belief that the friendly and cooperative relations between Korea and their countries would grow stronger and develop.

Foreign Party Leaders Greet Kim Chong-il

*SK0703103694 Pyongyang KCNA in English 1006
GMT 7 Mar 94*

[Text] Pyongyang, March 7 (KCNA)—The dear leader Comrade Kim Chong-il received messages of greetings on the occasion of his birthday from Madhav Kumar Nepal, general secretary of the Central Committee of the Nepal Communist Party (United Marxism-Leninism), Chairperson Argelia Raya and International Secretary Jorge Valero of the Venezuelan Movement to Socialism, Youssef Amin Wali, general secretary of the Egyptian National Democratic Party, and Milud al-Mahdabi, general secretary of the permanent secretariat of the Organisation of Socialists in the Mediterranean.

The messages extended warmest congratulations to Comrade Kim Chong-il and wished him a long life in good health.

They expressed the belief that the fraternal relations between their parties and the Workers' Party of Korea would be consolidated and developed.

A congratulatory message came from the Central Committee of the October 8 revolutionary movement of Brazil on the occasion of the birthday of Comrade Kim Chong-il.

New Cuban Ambassador Meets Foreign Minister

*SK0803150494 Pyongyang KCNA in English 1458
GMT 8 Mar 94*

[Text] Pyongyang, March 8 (KCNA)—Kim Yong-nam, vice-premier and foreign minister, met and conversed with Jose Ramon Rodriguez Varona, new Cuban ambassador to Korea, when the latter paid him a courtesy call today.

Daily Expresses Support for Cuba's 'Struggle'

*SK0803053594 Pyongyang KCNA in English 0449
GMT 8 Mar 94*

[“Cuban People Are Not Alone”—KCNA headline]

[Text] Pyongyang, March 8 (KCNA)—NODONG SINMUN today expresses firm solidarity with the Cuban people's just struggle upon the lapse of eight years since the Korean visit of Fidel Castro, a historical event that brought Korea-Cuba friendship to a higher stage.

Noting that the Cuban people united closely around Comrade Fidel Castro are steadfastly defending the sovereignty and dignity of the country under the banner of socialism, while smashing the moves of the imperialists at every turn, the paper says in a by-lined article:

The righteous struggle of the Cuban people enjoys unanimous support from the world progressive people.

The progressive people across the world are urging the United States to promptly lift the economic and diplomatic blockade against Cuba.

The struggle for supporting the just cause of the Cuban people and frustrating the anti-Cuba moves of the imperialists are being waged in different forms in many countries.

The Korean and Cuban peoples have defended the cause of socialism, supporting and cooperating with each other. Their militant friendship and solidarity have been further consolidated and developed in the course of struggling for the common cause, overcoming difficulties together.

The Korean people will as ever fully support the just cause of the fraternal Cuban people.

The socialist cause of the Cuban people will vigorously advance, encouraged by international support and solidarity.

Events Mark Anniversary of Syrian Revolution

Kim Il-song Sends Greetings

SK0703111694 Pyongyang KCNA in English 1033
GMT 7 Mar 94

[Text] Pyongyang, March 7 (KCNA)—President Kim Il-song of the Democratic People's Republic of Korea today sent a message of greetings to Hafiz al-Asad, president of the Syrian Arab Republic, on the 31st anniversary of the March 8 revolution in Syria.

President Kim Il-song in the message said that after the victory of the revolution, the Syrian Arab people have made many successes in the work to strengthen national unity and build an independent new society under the guidance of the Arab Socialist Baath Party led by the president.

He wished the Syrian president and people greater achievements in the work for the prosperity of the country and peace in the Middle East, expressing the belief that the bonds of friendship and solidarity between the two countries will continue to strengthen.

Minister Attends Function

SK0803051294 Pyongyang KCNA in English 0441
GMT 8 Mar 94

[Text] Pyongyang, March 8 (KCNA)—A celebration meeting was held here Monday under the sponsorship of the Korea-Syria Friendship Association and the Committee for Cultural Relations With Foreign Countries on the occasion of the 31st anniversary of the March 8 revolution in Syria.

Present at the meeting were Yun Ki-chong, minister of finance and chairperson of the Korea-Syria Friendship Association, Yi Chol-sin, vice-chairman of the Committee for Cultural Relations With Foreign Countries, and officials concerned and working people in the city.

Syrian Ambassador to Korea, Yasir Farah, officials of the embassy and Syrian students studying here were invited to the meeting.

Speeches were exchanged and a congratulatory letter to the Syrian president was adopted.

Daily Marks Revolution Anniversary

SK0803055894 Pyongyang KCNA in English 0454
GMT 8 Mar 94

[Text] Pyongyang, March 8 (KCNA)—MINJU CHOSON today dedicates a by-lined article to the 31st anniversary of the March 8 revolution in Syria.

Recalling that the Syrian people have made great strides in their struggle to defend the sovereignty of the country, achieve national unity and develop the national economy under the leadership of the Arab Socialist Baath Party led by President Hafiz al-Asad after the victory of the revolution, the article says:

The government and people of Syria are working hard to retake the occupied Arab land and preserve peace in the Mideast area, while developing the friendly relations with Arab and other countries of the world.

The Korean people are rejoiced over the achievements made by the Syrian people in building a new society, firmly maintaining the independent stand and extend firm solidarity to their just cause.

The Democratic People's Republic of Korea and the Syrian Arab Republic are both non-aligned countries in Asia and the two governments and the two peoples have long developed the friendly and cooperative relations with each other.

Particularly, the friendly and cooperative relations between the two countries are daily strengthening as they are based on the deep intimacy between the leaders of the two countries.

The Korean people believe that the friendly and cooperative relations between Korea and Syria will continue strengthening and developing in the idea of independence, peace and friendship, and sincerely wish the Syrian Arab people greater success in their work for an unbiased and comprehensive solution to the Mideast issue as well as for the independent development of the country.

Portugal Seminar Adopts Letter to Kim Il-song

SK0703053694 Pyongyang KCNA in English 0453
GMT 7 Mar 94

[Text] Pyongyang, March 7 (KCNA)—A letter to the great leader President Kim Il-song was adopted at the 14th Portuguese national seminar on the chuche idea held in Lisbon.

The letter said that the seminar discussed the questions of socialist construction in the Democratic People's Republic of Korea, peace, detente and denuclearisation of the Korean peninsula and the independent and peaceful Reunification of Korea.

Expressing the belief that the independent and peaceful Reunification of Korea would be realized through national unity and dialogue in the form of confederation, the letter affirmed their will to more briskly disseminate and study the chuche idea.

Adopts Letter to Kim Chong-il

*SK0703045994 Pyongyang KCNA in English 0442
GMT 7 Mar 94*

[Text] Pyongyang, March 7 (KCNA)—A letter to the dear leader Comrade Kim Chong-il was adopted at the 14th Portuguese national seminar on the chuche idea which was held in Lisbon on the occasion of his birthday.

The letter said that the seminar discussed the experience in building socialism in the Democratic People's Republic of Korea and the questions of removing the fiction of "nuclear threat of the North" and distrust between the North and the South, creating an atmosphere of dialogue for national reunification and achieving disarmament and detente on the Korean peninsula.

The letter said that a brighter prospect is in store for the Korean people who are advancing under the banner of the chuche idea.

Military Head Greets Burundian Counterpart

*SK0703052994 Pyongyang KCNA in English 0451
GMT 7 Mar 94*

[Text] Pyongyang, March 7 (KCNA)—Marshal of the Korean People's Army O Chin-u, Minister of People's Armed Forces, sent a message of greetings to Burundian Defence Minister Gedeon Fyiroko on the occasion of the day of the Burundian Army.

Expressing the belief that the friendly and cooperative relations between the two peoples and Armies would continue to develop in the future, the message wished him success in his responsible work for strengthening the defence power.

Book on DPRK, Japan Published in Britain

*SK0803110094 Pyongyang KCNA in English 1006
GMT 8 Mar 94*

[Text] Pyongyang, March 8 (KCNA)—The Bonniers Publishing House, Sweden, brought out the book "World of Today, Korea and Japan", which was published in Britain, in Swedish on March 1.

Edited in the "part of the Democratic People's Republic of Korea" of the book are photos of Lake Chon on Mt. Paektu, a panoramic view of Pyongyang and photos showing the industrial and agricultural development of Korea.

Under a subtitle "Health and Welfare", the book says that the good health and long life and social stability are guaranteed to all people by the free medical service and the compulsory education system in the DPRK. In South Korea, however, a doctor's fee is expensive and the gap between the rich in town and the poor in country is widening, it writes.

Publication of Rural Theses Celebrated Abroad

*SK0703111094 Pyongyang KCNA in English 1025
GMT 7 Mar 94*

[Text] Pyongyang, March 7 (KCNA)—The 30th anniversary of the publication of the socialist rural theses in Korea was celebrated in different countries.

A celebration meeting was held at the Zimbabwe Talian Millet state farm on February 23.

The general manager of the farm said in his speech that the rural theses published by the great leader President Kim Il-song is a programme which indicates a shortcut to the ultimate solution of the rural question and a true textbook which makes clear the way of freeing peasants from hard work and helping them lead a rich and civilized life.

Seminars on the work of President Kim Il-song "Theses on the Socialist Rural Question in Our Country" were held by the group for the study of the chuche idea of Comrade Kim Il-song in Enmoe, Guyana, and the Nepal Institute for Chuche Studies and in Dar-es-Salaam, Tanzania on February 24 and 25.

Manik Lal Shrestha, chairman of the Nepal Institute for Chuche Studies, in his report said: President Kim Il-song flawlessly indicated the fundamental principle, tasks and ways for the solution of the rural question. The brilliant achievements in the countryside of Korea today are a proud fruition of the rural theses.

The Mozambican Committee for Friendship With the People of the DPRK said in a statement on February 22 that the application of the chuche farming method brings a bumper harvest in the countryside of North Korea every year, but South Korea, same territory, which was once called a granary has been devastated and farming ruined every year for lack of water.

The statement expressed the hope that Korea would be reunified at an early date according to the proposal for confederation and the South Korean peasants would receive a favour from the rural theses and the chuche farming method.

Commemorative articles were carried by the Bangladesh papers GONO GONTU, FEREZ KHAJOZ, SAM-ACHAR, NATUN KATHA and AL AMIN, the Thai paper SIN CHONG YUAN PAO, the Pakistani papers NIDA-E WAQT and JIHAD, the Zimbabwean paper PEOPLE'S VOICE, the Senegalese paper LE TEMOIN, the Burkinabe paper LE PAYS and aired by radio Santarosa of Peru, radios America and Primerisima of Nicaragua.

Korean photo exhibitions, film shows and lectures were held in Yugoslavia, Nigeria, Mozambique, Mongolia, Bulgaria and other countries.

Kim Chong-il Conveys Thanks to Dance Ensemble
SK0803052694 Pyongyang KCNA in English 0445
GMT 8 Mar 94

[Text] Pyongyang, March 8 (KCNA)—The dear leader Comrade Kim Chong-il, chairman of the National Defence Commission of the Democratic People's Republic of Korea and supreme commander of the Korean People's Army, extended thanks of the party Central Military Commission and the supreme commander to the creative workers and artistes of the song and dance ensemble of the Korean People's Army.

A meeting for conveying the thanks was held at the February 8 House of Culture in Pyongyang on March 7.

The speakers at the meeting said that the song and dance ensemble of the Korean People's Army had created and performed many revolutionary and militant stage works under the wise guidance of Comrade Kim Chong-il.

They said the ensemble would actively contribute to further consolidating the singlehearted unity of the whole army around comrade supreme commander and increasing the combat capacity of the people's army by creating and performing many more works of army style.

A letter of pledge to Comrade Kim Chong-il was adopted at the meeting.

Kim Chong-il Extends Thanks to Fishery Workers

SK0803105894 Pyongyang KCNA in English 1003
GMT 8 Mar 94

[Text] Pyongyang, March 8 (KCNA)—The dear leader Comrade Kim Chong-il extended thanks to officials and fishermen of the Sinpo fishery station who had registered a palpable success in fishing by giving precedence to scientific fish detection to occupy main fishing grounds in good time and by actively introducing advanced methods of fishing.

His thanks also went to Chong Chang-pok, who had been engaged in an external affairs department and volunteered into the socialist countryside, and his family.

Meeting Marks Anniversary of Fighter's Death
SK0803111894 Pyongyang KCNA in English 1026
GMT 8 Mar 94

[Text] Pyongyang, March 8 (KCNA)—A national memorial meeting took place here today on the 10th anniversary of the death of Kim Il, a communist revolutionary fighter loyal to the great leader President Kim Il-song.

Kim Il was born into a poor peasant family in Orang County, North Hamgyong Province, in 1910 and remained unfailingly and invariably loyal to the party and the leader, to the country and the people and devoted his whole life for the national liberation, for the happiness of the people and for the victory of the

revolutionary cause of chuche till the last moments of his life after he took part in the anti-Japanese revolutionary struggle organized and led by President Kim Il-song.

Present at the memorial meeting were O Chin-u, member of the Presidium of the Political Bureau of the Central Committee of the Workers' Party of Korea [WPK] and minister of People's Armed Forces. Yi Chong-ok and Pak Song-chol, Politburo members of the C.C. [Central Committee], the WPK and vice-presidents, and other senior party and state officials.

Vice-president Pak Song-chol made a memorial address.

According to him, Comrade Kim Il took an active part in the work of underground party and mass organizations, joined the Korean People's Revolutionary Army in October, 1935 and creditably fulfilled his revolutionary tasks, thus making a great contribution to the historic victory of the great anti-Japanese war. After the liberation of the country he devotedly worked for the unity and cohesion of the party and the revolutionary ranks and for the acceleration of socialist construction as a whole, at important posts of the party and the state.

Comrade Kim Il was a staunch communist revolutionary fighter who devoted his whole life to the noble revolutionary struggle for national, class and human liberation, and a talented activist who performed immortal feats in the revolutionary wars against U.S. and Japanese imperialisms and in the building of the party and the state and of a new society.

He was a true loyal subject. From the day when he joined in the revolutionary struggle in his early years till his heart stopped beating, he remained invariably and immensely loyal to President Kim Il-song. He sincerely upheld the great leader and our party with a steadfast revolutionary attitude toward the leader and firmly defended the party and the leader at any time and in any place.

He was a staunch follower and resolute defender of the leader's ideas and lines. Regarding it as his supreme revolutionary obligation to defend the personal safety of the great leader, he devoted his whole life to safeguarding the leader from the enemy's schemings.

In concluding, Pak Song-chol said all the party members and other working people should cement rock-firm the singlehearted unity of the party and the revolutionary ranks behind dear Comrade Kim Chong-il, the illustrious leader of the party and the people and supreme commander of the revolutionary armed forces, and uphold the party's leadership with loyalty by carrying forward the tradition of singlehearted unity established in the flames of the anti-Japanese struggle and should press ahead with socialist construction, checking and frustrating all the challenges and new war provocations moves of the imperialists and reactionaries.

Daily Highlights 'Fighting Spirit' of Koreans
SK0803110394 Pyongyang KCNA in English 1017
GMT 8 Mar 94

[("NODONG SINMUN on Revolutionary Faith and Indomitable Fighting Spirit of Korean People"—KCNA headline]

[Text] Pyongyang, March 8 (KCNA)—The revolutionary faith and indomitable fighting spirit pulsating with the hearts of the Korean people today is the firm conviction that the Korean revolution will certainly win as there is the illustrious leader, the death-defying readiness to share the destiny with him, though the world may change a hundred times and the strong revolutionary spirit to break through any difficulties, if it is to carry his plan and intention into practice, declares NODONG SINMUN in an article today.

The author of the article says:

Ours is a revolutionary people with the unshakable faith that the Korean-style socialism led by the dear leader Comrade Kim Chong-il is sure to win. Today all our people are following him as a mental support. They have keenly realized the greatness of the dear leader through their practical life. Covering a road of victory and glory under his guidance, they have gained the rock-firm faith that there is no one but him to whom the destiny of our country and nation can be entrusted and that they will win without fail as he is with them. Ours is a loyal people with an indomitable revolutionary spirit to defend the dear leader Comrade Kim Chong-il with their lives and share the destiny with him. They are now fighting stoutly with a burning heart to firmly defend him, holding him in high esteem. They have the unshakable will to defend supreme commander General Kim Chong-il with their lives forever in the future, with the same fighting spirit and stamina they displayed during the semi-war state last year. As long as there is such faithful people full of death-defying readiness to share the life and death with their great leader and their dear leader, no enemy can dare harm and provoke us.

Ours is a heroic people who are fully displaying boundless devotion and mass heroism, upholding the plan and intention of the dear leader. They are now displaying matchless devotion in the fruitful work of socialist construction to carry the dear leader's plan into practice, holding high the slogan "when the party is determined, we can do anything!" There is no other people in the world like our people who are ready to jump into water and fire when they are called by the party. Our people volunteer to difficult and toilsome work and honestly work ten or twenty years at posts assigned them by the party. This noble traits tell us well how devotedly they are working to realise the intention of the party.

As there is such people, the plan and intention of the dear leader are being brought into reality in time and socialist construction is advancing vigorously.

South Korea

IAEA Inspection Said 'Not Proceeding Well'
SK0803055594 Seoul MUNHWA ILBO in Korean
8 Mar 94 p 2

[Text] It has been learned on 8 March that the International Atomic Energy Agency (IAEA) inspection team for North Korean nuclear facilities, which began its activities on 3 March, is not proceeding well with inspections.

A high-ranking government official said on 8 March, "North Korea is objecting to some of the IAEA's inspection activities. Particularly, it is rejecting the extraction of samples from a radioactive chemistry laboratory in Yongbyon which is estimated to be a nuclear reprocessing facility."

The official continued, "North Korea and the IAEA agreed in Vienna to the extraction of samples from the radioactive chemistry laboratory although the extraction of samples from the five-megawatt reactor is not possible because it is not a replacement of a fuel rod. There can be no concession because this is the core of the IAEA inspection."

The government authority added: "However, we have to wait and see to judge whether the IAEA inspection team's activities are successfully concluded. That will be around this weekend or early next week."

Trade Talks Held With U.S. in Seoul 8 Mar
SK0803082894 Seoul YONHAP in English 0817 GMT
8 Mar 94

[Text] Seoul, March 8 (YONHAP)—The United States urged South Korea to strengthen its intellectual property protection to harmonize with the Uruguay Round agreement in trade talks here Tuesday. A delegation led by U.S. Deputy Assistant Trade Representative Peter Collins met with Seoul officials for negotiations focusing on intellectual property and opening the South Korean market to American cars.

The talks opened just weeks before a report will be submitted to the U.S. Congress on the status of South Korea's intellectual property rights protection. A final decision on whether to drop South Korea from the priority watch list or label it as a priority foreign country is due late next month.

Washington is demanding that Seoul continue to crack down on violators and upgrade its laws to match those of the trade-related intellectual properties (TRIPs) of the Uruguay Round. For instance, a movie with an acknowledged copyright in one country automatically receives the same copyright protection in all other nations under the terms of TRIPs. South Korean law, however, only recognizes a movie copyright from after 1987. Seoul explained that it conducted a special crackdown on

violators in the January-October period last year, which helped improve the situation.

On another front, Washington took issue with various barriers in South Korea when buying U.S. cars such as high tariffs and the acquisition tax. U.S. officials also described what they saw as psychological barriers, such as worries about a tax audit when purchasing a foreign automobile. Seoul replied that it does not erect such barriers and that its current 10 percent tariff is not high compared with common international practice. It explained the rate has already been lowered from 15 percent and thus cannot be reduced further this year. The European union also levies a 10 percent tariff on imported cars, South Korea pointed out.

Daily Examines U.S. Demands for Tariff Reduction

SK0803083994 Seoul CHUNGANG ILBO in Korean
8 Mar 94 p 3

[Editorial: "Unreasonable Demand by the United States and Our Attitude on Countermeasures"]

[Text] The United States has aimed at Japan a gun called the Super 301. At the same time the United States is demanding that we reduce our automobile tariff rate. In the past, the United States has expressed satisfaction over the ROK's schedule for opening up. Therefore, it seems that a visible apprehensive element will not immediately appear at the upcoming ROK-U.S. trade negotiations. However, since the United States is continuously showing interest in our automobiles, communications, and intellectual property rights, and is even demanding the improvement of the ROK's system and business practices, a detailed countermeasure is necessary in this field.

Looking at the ROK, the United States recognizes that we may become a second Japan. It is necessary to turn our attention to this view. We do not have elaborate organizations for domestic dealings, a distribution network like a spider's web, and business practices like Japan. Therefore, there is no reason for us to be unnecessarily misunderstood.

The United States is demanding that we reduce the tariff rate of U.S. automobiles—currently 10 percent—to 2.5 percent. When we consider the fact that Europe imposes a 10 percent import tariff rate on foreign made cars, it is difficult to accept the U.S. demand. The United States is picking a quarrel on special excise and local taxes imposed according to the car's engine displacement. The tariff rate must be readjusted in some cases, but we cannot give special treatment to foreign goods by changing our domestic law.

The U.S. intention is to increase the number of its cars in the ROK market. Even though we cannot accept all the conditions the United States is demanding, we must bear in mind the hidden message it is giving us. It is now inevitable for ROK businesses to be more exposed to

competition with foreign businesses. We must realize that the arena for competition is even affecting our domestic market.

In the process of economic development in the past 30 years, which was mainly centered on exports, ROK consumers were sort of forced to sacrifice themselves to assist export products. Consumers could not but endure high price and low-quality goods. Strengthening competitiveness is important in an international environment, but promoting the consumer's convenience is another important yardstick in judging competitiveness.

We cannot face the demands for opening up through negotiations alone. We must accelerate competitiveness among domestic businesses to strengthen their structure. However, this is also a difficult matter. Furthermore, the people's demands to obtain high-quality goods at cheap prices are increasing. Even though we have opened up, import is a monopolistic structure and the distribution level is complicated, thus, the benefits of openness are not being spread equally.

The government must bear this in mind. It is also necessary for the government to resolutely revise the domestic system related to imports. When considering the general trend, the attitude of domestic businesses is to be competitive with cheap and high-quality goods and services. Also, businesses must bear in mind that they can no longer expect nor can they receive more assistance from the government and the people.

Super 301 Said To Bring 'U.S. Economic Hegemony'

SK0803025494 Seoul TONG-A ILBO in Korean
8 Mar 94 p 3

[From the "Reporter's Eyes" column by Yang Ki-tae]

[Text] Does the U.S. Super 301 (comprehensive trade law) mean the era of U.S. economic hegemony has begun?

An ROK trade specialist said, "The ideal of free trade which led the post-war international trade, is now in name only. The measure is a signal that the United States will play the role of international police and judge in economic issues as well."

An official of the Korea Foreign Trade Association said, "By the measure, the United States declared economic hegemony and that it will take any pretext and means to exercise power for the nation's economic interest. In the future, the only economic theory to survive is 'power is justice.'"

ROK trade specialists say the most serious problem of the issue is that no country can restrain U.S. hegemonism after the dissolution of the former Soviet Union.

The fact that the United States is preparing to make reprisals through the Super 301 on Japan which said

"no" in the U.S.-Japan summit talks held in February, is a declaration of war that anyone who challenges the authority of the United States cannot be left intact. It will be difficult for the United States, a country leading the international order, to avoid the denunciation that it is ignoring international promises and trust by restoring the Super 301 under the excuse of its national trade deficit.

It has been denounced that the United States, which had caused much dispute with nations concerned during Uruguay Round [UR] negotiations, is exercising individual retaliation, such as the Super 301, when the agreements are still fresh. Because the United States is showing its greediness by such an action ignoring the UR spirit although the contents of the agreements show the U.S. interests were reflected most.

It is more of a blow that the U.S. action nullifies the World Trade Organization [WTO] after it had agreed to establish the WTO for the management and supervision of free trade order beginning next year.

It has been pointed out that if the United States were to seek only its own national interests even before the start of the new trade order agreed by the world, it should not have begun the international negotiation.

Daily Expresses 'Concern' Over Super 301 Revival

SK0803043994 Seoul *HANGUK ILBO* in Korean
7 Mar 94 p 3

[Editorial: "Concern Over U.S. Managed Trade"]

[Text] The United States has revived Super 301 at last. This is a natural outcome of discontent with Japan, which evades the essence of the question each time by making up for poor U.S.-Japan relations in an impromptu manner.

In fact, the United States put forward an offensive trade policy "befitting" the post-Cold War era during the summit with Japan last month. In other words, it declared that there will be no more "empty" joint statements to be adopted merely for the sake of formalities between the allies. Thus, there is an indication that so-called managed trade (*kwalli muyok*), which is intended to reduce red figures in trade with Japan by establishing a quantitative standard in the U.S. export of commodities to Japan, will become the U.S. strategy. The revival of Super 301 can be seen as an extension of the offensive trade policy suggested during the summit.

We fully understand the discontent with Japan roaring in across U.S. society. In fact, there is no such a nation like Korea which has been exhausted by the closed economy of Japan which dashed only toward the balance in the black. Nevertheless, we cannot stand on the U.S. side. In other words, we have no objection to the fundamental principle of encouraging Japan to realize the inevitability of opening up. However, we cannot agree with the method of the U.S. practice.

The World Trade Organization [WTO], which 118 nations agreed to jointly establish during the talks in Geneva last December, has not yet been officially formed. At this very point, Super 301, which seeks unilateral sanctions and retaliation, has been revived. Thus, its revival can be said as an unjust, dangerous act of disturbing settlement and development of the WTO, which intends to pursue opening and multilateralism.

Moreover, the red figures in U.S. trade are attributable to its own chronic financial red figures and to the trend of its excessive consumption. Therefore, once the United States assumes an offensive posture, retaliation will undoubtedly be expanded. This is because the ROK and Taiwan will attempt to fill up the vacuum created due to reduction in Japan's export of goods to the United States, and the United States will shift the target of retaliation on others.

On the other hand, Japan's unilateral concession, designed to avoid retaliation, cannot be defined as the best method for problem settlement. If a solution to the pending problems is sought from the standpoint of managed trade, Japan's concession will merely heighten the possibility of Japanese business circles' "autonomous" expansion of imports of U.S. commodities, and will reduce shares [chibun] of European and small countries' in the Japanese market.

At this point, we would like to call on the United States to abandon managed trade and on Japan to boldly unbar the gate to its domestic markets. We also urge the ROK Government to seek solidarity forces in the multilateral trade system, in the Asian-Pacific conference, and in the Northeast Asian arena, instead of merely announcing protest statements and watching the trend of the situation, and to work out diversified strategy for national survival in a bid to expand the scope of choice. Our international circumstances may be aggravated to such an extent that even regionalism, which we do not wish, should be regarded as a supplementary step.

From the outset, diplomacy is aimed at seeking the best result while preparing for the worst situation. The ROK should work to unite strength with other states in Northeast Asia by developing regional forums and should make efforts to persuade the United States and defend the multilateral trade system.

U.S. Trade 'Pressure,' Super 301 Discussed

SK0803075494 Seoul *TONG-A ILBO* in Korean
8 Mar 94 p 4

[Article by Kim Cha-su: "U.S. Trade Pressure and Government Countermeasures"]

[Text] The United States is now stepping up the trade pressure that had abated temporarily. It appears as though U.S. trade pressure will be amplified since the Super 301 provision was revived on 3 March. Accordingly, the government is taking pains to prepare countermeasures against the U.S. trade pressure.

At present, the United States is interested, most of all, in opening the auto market wider and hastening the opening of the services sector. On 7 March, the United States dispatched Peter Collins, U.S. deputy assistant trade representative in charge of Asia and Pacific affairs, to the ROK to make a full-scale demand for the ROK to open its auto market.

The United States believes that the 120 to 1, car imports to exports ratio is in a state of great imbalance because of tariff and non-tariff barriers in the ROK, and are strongly demanding that the ROK adjust this. First complaining of the ROK's 10 percent tariff on passenger cars compared to its 2.5 percent tariff, the United States said that because the special excise tax is imposed according to differential tariff rates, the competitive strength of large U.S. cars is diminished. Tax probes of buyers of foreign cars, and the inability of U.S. car makers to secure broadcast advertisement time were cited as additional barriers to the advance of U.S. cars in the ROK market.

Apparently, U.S. Deputy Assistant Trade Representative Collins will also discuss the issue of intellectual property rights with ROK Government officials. The United States placed the ROK on its list of countries subject to priority surveillance. Although the ROK has strengthened the protection of intellectual property rights over the past several years, illegal duplication of software programs and trademark infringements by enterprises have yet to be rooted out. This is another source of U.S. complaints. In connection with this, the government will notify the United States of our policy of strongly cracking down on infringements of intellectual property rights, and at the same time will ask the United States to exclude the ROK from its list of countries subject to priority surveillance.

The government feels that we do not have to unconditionally meet the U.S. demand for market opening, but that we can cope according to our own plan. In other words, because our government has already begun to open up each field according to its policy of openness, it simply plans to seek the full understanding of the United States by explaining the situation. The government will also convey its concern over the revival of the Super 301 provision to the United States, pointing out that the provision runs counter to the spirit of forming the World Trade Organization, which is to be inaugurated next year with the conclusion of Uruguay Round negotiations.

Government officials explain that trade issues recently raised by the United States differ in character from those of the past, and that our government is not being unilaterally pressured. A Foreign Ministry official said: "That fact that the United States is still interested in our country in its demand for further opening of our markets, is a positive sign." He continued: "A bigger problem is that people in the United States are now talking of giving up on the ROK market to focus on Japan and China instead."

Government To 'Readjust' Policy on North
SK0803002494 Seoul YONHAP in English 0016 GMT
8 Mar 94

[Text] Seoul, March 8 (YONHAP)—The South Korean Government will readjust its North Korea policy of linking the nuclear issue with economic cooperation if the proposed exchange of special envoys proceeds smoothly, sources said Tuesday.

As a result, inter-Korean economic cooperation could start as early as next month, they said.

Such cooperation would include permission for South Korean businessmen to visit the North, investment in the Najin-Sonbong and Nampo free economic zones and the establishment of direct shipping lines to North Korea, they added.

The sources, from both the administration and the business sector, said Seoul has already decided to stop linking the issue of Pyongyang's nuclear program with inter-Korean economic cooperation if a special envoy from either side visits the other's capital this month.

The government plans to finalize the decision at a meeting of national security-related ministers after watching developments at the next round of working-level contacts at Panmunjom scheduled for Wednesday.

A formal announcement on the government's amended North Korea policy could come shortly after Washington holds a third round of high-level talks with Pyongyang in Geneva on March 21, they said.

One government source said, "tension on the Korean peninsula has eased greatly as a result of North Korea's acceptance of outside inspections of its nuclear facilities.

"It is now the time to resume working toward inter-Korean economic cooperation, which has been suspended for more than a year," he added.

"If the U.S.-North Korean talks proceed smoothly and North Korea doesn't suddenly change its attitude toward the exchange of special envoys, the government will announce the change in its North Korea policy around March 23," he said.

Seoul, however, has not ruled out the possibility that Pyongyang's attitude could change or circumstances on the Korean peninsula could worsen, forcing a policy readjustment, the source said, asking for anonymity.

In addition to increased investment in the North Korean free economic zones, South Korea will push plans to establish inter-Korean economic liaison offices, liaison offices of big businesses in the truce village of Panmunjom and direct shipping routes to the North.

As for visits to the North by South Korean businessmen, the government could give the go-ahead as early as next month while sending working-level missions to the North to sound out investment opportunities, they said.

Inter-Korean Trade Drops 'Sharply' in Feb
SK0803074694 Seoul YONHAP in English 0724 GMT
8 Mar 94

[Text] Seoul, March 8 (YONHAP)—Inter-Korean trade dropped sharply in February from the same month of 1993, the Trade, Industry and Energy Ministry said Tuesday. South-North trade fell by 34.1 percent to 12,578,000 U.S. dollars last month from a year earlier. The drop was attributed to a 49.8-percent decrease in South Korean purchases of metals, including gold and zinc ingots, from the North compared to a year ago. However, South Korea's sale to the North soared, although the figure was still low compared to purchase. The South sold about 699,000 dollars worth of goods to the North last month, compared to 43,000 dollars the year before, thanks to increased shipments of textiles and raw and subsidiary materials for "processing on commission trade."

Economic Differences Between North, South Noted

SK0703134794 Seoul CHUNGANG ILBO in Korean
7 Mar 94 p 5

[Article by An Song-kyu: "Comparison of National Power Between North and South Korea Based on 1992"]

[Text] It has been learned that South Korea is six times richer than North Korea, compared with their people's standard of living.

The section in charge of North Korean affairs of the Institute for the National Unification (Section Chief So Chae-chin) examined the difference of national power between North and South Korea in seven areas such as politics, social management capacity, economy, education, science and technology, military capacity, and diplomatic capacity for two years since 1992. These facts have been disclosed in a thesis "A Comparative Study of National Power Between North and South Korea" issued by the institute on 7 March. To examine the difference of economic capacity between the North and South, the section in charge of North Korean affairs used the Kline model based on the GNP, energy and mineral resources, industrial productive capacity, food production, and trade volume. In assessing the difference of their economic capacity, the institute gave 100 points to the GNP and 20 points to other five areas.

Accordingly, as of 1990, South Korea received 110 points in total economic capacity, while North Korea received 18 points. This shows that South Korea's economic capacity is six times larger than that of North Korea.

The Kline index, based on South Korea's GNP, shows a 100:10 ratio in economic capacity. This indicates that South Korea's economic capacity is 10 times larger than that of North Korea. This shows that the difference of economic capacity between the North and South has

been widened more compared with the 100:78 ratio in 1960 and of 100:50 in 1970.

In 1990, South Korea's GNP was \$237.9 billion. South Korea's GNP has increased 179 times from \$1.35 billion in 1953, while North Korea—with a GNP of \$23.1 billion in 1990—has increased 53 times from \$440 million in 1953. The Kline industrial index based on the production of iron and steel products, aluminum, and cement shows that South Korea has received 19 points while North Korea has received 8 points. This indicates that South Korea's industrial capacity is 2.4 times larger than that of North Korea.

In the manufacturing business area, South Korea is three times more advanced than North Korea; in iron and steel products, four times; in automobile production capacity, 57 times; in shipbuilding capacity, 16 times; in chemical production capacity, two times; in refinery capacity, 12 times; and in cement production capacity, four times.

The index in the social indirect capital areas, including transportation and communication—which was assessed separately by the section in charge of North Korean affairs—shows that South Korea has received 20 points while North Korea has received 6. This indicates that South Korea is three times more advanced than North Korea.

The total length of South Korea's roads is 56,715 km, with 71.5 percent of them paved, while the length of North Korea's roads is 23,000 km, with 10 percent of them paved.

North Korea possesses 264,000 cars while South Korea has 3.39 million cars. This indicates that South Korea has 13 times more cars than North Korea.

In 1990, South Korea's harbor loading and unloading capacity was 224.35 million tons while North Korea's is 34.90 million tons.

The Kline index in the external trade sector—which shows the country's trade position in the global economy—indicates that South Korea has received 20 points while North Korea has received 1. South Korea's trade position is 20 times firmer than that of North Korea.

The trade volume of South Korea is \$134.8 billion while that of North Korea is \$4.7 billion. South Korea has 28 times more trade volume than North Korea.

It has been learned that North Korea's self-sufficient index in food, mineral resources, and energy is higher than that of South Korea. The self-sufficient index in food shows that South Korea has received minus 20 points while North Korea has received minus 3. South Korea imported 11.18 million tons of food from foreign countries in 1991 while North Korea imported 1.6 million tons. The self-sufficient index in energy, including oil, coal, gas, and power plants, shows that South Korea has received minus 12 points while North Korea has received minus one.

The amount of South Korea's oil imports in 1990 was 55.90 million TOE (1 TOE equals to 7.3 barrel), while North Korea imported 3.55 million TOE.

The mineral resource index shows that South Korea has received minus 17 points while North Korea has received minus three. This has been comprehensively assessed based on North and South Korea's dependency on foreign countries in minerals necessary for the heavy and military industries.

* Problems in Trade With DPRK Described

942C0069A Seoul HANGYORE SINMUN in Korean
18 Jan 94 p 8

[By reporter Kang Tae-ho]

[Text] Anticipating the post-unification period, most businesses, and particularly conglomerates, view North Korea as a market they are destined to enter. This means that, although there be many obstacles and investment dangers, they are prepared to risk these for the sake of long-term investment.

However, as long as government policy does not support this, there will be limits to North-South economic cooperation. Even through early 1993, businesses interested in economic cooperation with North Korea, filled with expectation following the birth of the new government, forecast that 1993 would be an epoch-making turning point in North-South economic cooperation. That forecast missed the mark, however. Set in the context of the February resolution on special inspections by the International Atomic Energy Agency and North Korea's announcement that it would withdraw from the Nuclear Non-Proliferation Treaty following this, the government's policy of linking the nuclear issue with economic cooperation tied the hands of business. Actually, the results of 1993's North-South economic cooperation show that it is just marking time.

Beginning on 7 October 1988 with the announcement of an economic opening toward the North, a follow-up measure to the 7 July Proclamation, trade with North Korea is now in its sixth year. During that time, the scale of North-South trade reached \$200 million annually. Besides conglomerates such as Lucky Gold Star, Samsung, and Daewoo, small- and medium-sized firms are actively getting involved, bringing the present total to over 270 companies.

By what motives or opportunities are these firms getting involved in trade with North Korea? What are the actual problems in North Korea trade? What do working-level officials on site think is needed for full-scale trade with North Korea? *Examples of North-South Trade* [Nambuk Kyoyok Saryejip], published by the Unification Board at the end of last year, answers these questions at least partially. *Examples* are found in the experiences of working-level officials of companies which had constantly participated in North-South trade. These show us the present state of North-South trade.

—Commissioned Processing Trade. Using the opportunity provided by Mr. P, a middleman in trade with North Korea, when he proposed a venture in the commissioned processing of clothing while describing his visit to North Korea at their Beijing office during the summer of 1992, Lucky Gold Star pursued trade in the commissioned processing of work uniforms. First of all, it was most important to learn the level of North Korea's sewing work. One month after sending subsidiary materials for making samples via a North Korean Koryo Airlines flight, Lucky Gold Star received test products and evaluated their quality. Responsibility for risk concerning subsidiary materials, quality control, delivery period, and shipping were brought up as predictable problems. To prepare against inferior quality, factory work uniforms were chosen for commissioned processing. It was decided to bear the increased financing-cost that would result from delayed delivery. As for shipping, because this was the first commissioning-processing transaction, it was decided to used a Pusan-Hong Kong-Nampo route even if it was more expensive.

This transaction, as a first attempt, was completed almost perfectly and Mr. P did an excellent job as an agent. It was noted, however, that two conditions must be met for the vitalization of commissioned processing in the future. One is that at least a limited visit to North Korea for a fixed period by a team of technicians is urgently needed. Even problems which can be solved if a technical team does direct consultation have to pass through very complex procedures. The other is the problem of shipping. If products pass through Hong Kong, shipping expenses increase, possibly becoming an obstacle to the competitiveness in exports to third countries which could be achieved through North-South cooperation. Speeding the opening of sea and land routes, although limited, is the most basic measure to be taken for North-South economic cooperation.

Stressing the importance of the precise delivery of supply materials and detailed work instructions, Samsung Products, which did commissioned processing trade in men's pants, pointed out that two-way traffic and communications for this must be easy. Shipping through a third country acts as the greatest factor in delayed delivery. In such a case, there are limits to making clothing, which is so sensitive to fashion.

Hanil Synthetic Fiber, which traded in the commissioned processing of semimanufactured sweaters, revealed that although the product-quality level of clothing processed in the North tends to be very good, there are noticeable product defects due to the use of worn-out machinery. Thus, consideration must also be given to spare parts supply.

—Commodities Trade. Songbo Sangun, which imported walnuts from North Korea's Choson Agricultural Products Trade Company, came by chance to promote trade with North Korea. Representatives of the company were introduced to a Mr. S, who frequently

visited China and claimed to be close enough to a Choson employee to carry on business transactions. The conditions presented by middleman Mr. S were that if Songbo Sangun would only send a ship to Nampo, it would load and take out 100 tons of walnuts with payment was to be made within 20 days of the ship's arrival at a domestic port. Loading and taking out the walnuts without even a letter of credit was unbelievable. However, domestic production of walnuts was absolutely insufficient compared to consumption and if the walnuts would only arrive around the middle of December, they could be sold for New Year's Day and Porum [the 15th day of the first month of the lunar new year] and a considerable profit could be had, they thought. Negotiations were held with several shipping companies brokering ships for North Korea, but they demanded 3-4 times the commercial freight rates. They said that this was because there was a danger of accidents due to difficult communications and because there were even cases in which ships had to wait on cargo which had not been prepared correctly, or worse, returned empty.

Renting a ship at an expensive rate, they sent it to Nampo. Even though contact was made through an agent, not even an ant showed up on ship. Finally after 10 days, they had no choice but to withdraw the empty ship. They figured that the North Korean side had no confidence they could receive payment after the walnuts were shipped. However, at this time Mr. K from another trade company said that all they would have to do is send a ship again. Fortunately ship of company T was in port at Nampo and was able to load and bring the walnuts for a low price.

The problem was customs. With customs officials trying to push responsibility off on each other, they ended up going all the way to the Unification Board to have their documents inspected. What is worse, it was reported on television that people may be bringing in Chinese walnuts disguised as North Korean walnuts, so customs procedures were delayed because they were unable to confirm that the walnuts were North Korean. Ultimately, it took a month and a half to pass customs, so they missed the high-demand season and could not get a good price for the walnuts.

* PRC Development Said Force for Unification
942C0045A Seoul *WOLGAN CHOSON* in Korean
Dec 93 pp 338-345

[Excerpts] The PRC's ship freight volume is expected to grow to 1.5 billion tons in 10 years. Because China's economic development is impossible without additional seaports, China has long envied those on the Korean peninsula. Therefore, it is now becoming more interested in the Tumen River Development Program. The land routes of North Korea, barriers to freight transportation in northeastern Asia, will be opened by Chinese pressure. As a consequence, the unification of Korea may occur. Korea should construct many more seaports and meet

neighboring countries' wishes. Korea without numerous seaports is a useless country.

When one looks at a map of Asia or the world, one can find something that one may overlook when viewing a map with only the separated Korean peninsula. This is the geopolitical and geoeconomic importance of the Korean peninsula. The Yellow Sea is a huge gulf and a harbor situated in east-northeastern Asia. The Koreans live on a continental bridge, linking the continent with the ocean.

The Korean peninsula is what one calls a gateway to the continent and a base for managing the ocean. It is such an important region geopolitically that communist and capitalist powers came into conflict with each other to produce the tragic 38th parallel. [passage omitted]

China relies on coastal transportation to move freight which exceeds the capacity of its roads and railroads. The total 1992 Chinese freight transportation volume was 650 million tons. Some 280 million tons, including 4000 tons of transit freight, were import-export freight and 350 million tons were domestic coast-to-coast transportation freight.

If Chinese ship freight volume grows at this pace, it will exceed more than 1.5 billion tons in 10 years. The problem is that Chinese harbors do not have the capacity to receive that much freight volume. This is why the Korean peninsula is regarded as being of great value. Because the waters of the Chinese harbors are mostly shallow due to the earth and sand flowing out from the Yellow River, big ships cannot enter and leave the ports. Therefore, despite 21 open ports, all harbors except for Dalian, Qinhuangdao, Tianjin, Shanghai, and Guangzhou are of little use. [passage omitted]

Of the 1.5 billion tons of ship freight in 10 years, even if 1 billion tons are barely managed at its own harbors, for the rest of the half billion tons China must get neighboring countries' harbors (of South Korea, North Korea, Russia, and Japan). If neighboring countries do not lend harbors (though this is unlikely), China's economic development can be stopped. Therefore, China now desperately seeks harbors. As a part of such efforts, China, after winning over the UNDP, planned the Tumen River Development Program. [passage omitted]

If this region becomes a free export zone, China will get a long awaited ice-free port in the Japan Sea. North Korea, wanting to take this opportunity to acquire foreign currency, made it clear they would like to take part in the Tumen River Development Program at the Pyongyang Conference in the springs of 1992 and 1993. [passage omitted]

On 19 December 1992, China, negotiating directly with Russia, leased Zarubino harbor for fifty years. And China agreed to lay a railroad between Khraskino and Hunchun for Russia and also get operating rights for seventy years. These events embarrassed North Korea very much.

Wanting to yield to none, North Korea agreed to lease to China the eastern Chongjin harbor as well as Rajin and also to immediately begin improving the railroads and roads between Hunchun of China and Rajin. Judging from this, the construction of Fangchuan harbor that China first announced, was nothing but a rumor. Its real aim might have been a strategy to get the right to use Chongjin, Rajin, and Zarubino harbors. The reason China first negotiated with Russia and not North Korea on the lease of Zarubino harbor was because the stubborn North Korea dragged the negotiation out for too long and requested the utility rate of Chongjin harbor at three times more than the current international price.

As China reached an agreement first with Russia, North Korea, in its confusion, made repeated concessions to China's demands, even sharply cutting the utility rate of the eastern Chongjin harbor. As a result, North Korea played into China's hands.

Among the three northeastern provinces of China, Liaoning is the only province with its own harbor. In China every province is a separate unit and autonomously controls its own economic activities. Therefore, Heilongjiang and Jilin Provinces, which have no harbors of its own, lease of Dalian or Tianjin harbors and are often times deprived of priority use of these harbors by Liaoning Province. For that reason, these two provinces are enthusiastic about getting the right to use new harbors in the Japan Sea.

China has to develop and use the Sonbong and Chongjin harbors of North Korea as well as Zarubino and Rajin harbors. If China expands these four harbors, it will be able to transfer 30-50 million tons of freight per year.

The Japanese Government only furnishes funds and then maneuvers behind the scenes. It lent \$50 million to the Maruichi Company, a private enterprise, and let this company take part in the development of Zarubino harbor. The Japanese Government trading with China is creating an opportunity to stimulate the backward economy of its coastal regions in the Japan Sea.

Giving long-term credit to China matters little to Japan. The problem of the northern four islands still remains unsolved between Japan and Russia. The Japanese Government is not in a position to take an active part in the development. So it has let Niigata Province independently participate in the development program. Only if Japan lets its local government act independently in the development program, will it bear fewer funds to support the UNDP. After the development of these harbors in the Japan Sea is completed, Japan, second to China, will make a profit on the harbors. It is because most of the freight in these harbors are transferred to Japan.

Of course, China will be the country receiving the most benefit. Because of poor ground transportation, China has to pay a great deal of money and time to transport its freight from Jilin and Heilongjiang provinces to Guangdong Province in the south. Because China can save much money and time transporting its domestic freight

through Zarubino harbor, it is likely to make much use of this harbor in the future. As Seoul is geographically situated behind Inchon, and Beijing at the rear of Tianjin, so Hunchun is situated behind Zarubino, Rajin, and Sonbong. Because Hunchun is likely to grow tremendously in the future, the foreign enterprises that have applied for investment in Hunchun already numbers about 260. Of these, about 160 enterprises are South Korean and the rest are Japanese or Hong Kong among others, they say. Such a trend is expected to continue to increase hereafter. For a while, the land price of Hunchun rose as fast as that of Kangnam District, Seoul. Mongolia, which has no harbor, of course, received the program with open arms. [passage omitted]

China involved the UNDP and let the Tumen River Development Program attract international attention. China made the countries concerned—China, Russia, North Korea, South Korea, Mongolia—agree to jointly manage the golden triangular zone. Also, China obtained a lease of harbors under a bilateral agreement to with Russia and began construction work there, and even obtained harbors in North Korea. We cannot help but praise China's foresighted scheme and its paving the way for the future.

Hunchun is one of the regions where many Korean people live. For this reason, South Korean enterprises should make inroads there. It is obvious that by South Korean enterprises making inroads into Hunchun would politically be a help to the unification of Korea, as Hunchun is situated behind North Korea.

Negotiations between North Korea and China which have carried on for three years did not yield good results. If China comes to an agreement through the UNDP, it will readily be able to acquire development funds from the World Bank and enjoy the advantage of joint management of the harbors. Therefore, China will continue to carry on the negotiations through the UNDP. South Korea could also reduce, through the UNDP, North Korea's excessive response to its strategy toward the North.

Even if this region is open under a bilateral agreement as well as an agreement involving the UNDP, South Korea should help the development program to succeed.

South Korea's strategy should not be one favorable only to its own land, but one favorable to all of northeastern Asia. Only if South Korea does so will it win recognition and be held in high esteem by neighboring countries.

Like many of South Korea's enterprises which make inroads into Hunchun of China, it should participate in the construction of Zarubino harbor as a long-term strategy. That will of itself pave the way for South Korea to take part in the program to develop North Korea.

Let us return to the main subject. If China's development of harbors does not make progress as fast as the freight volume increases, it will utilize Zarubino, Chongjin, Rajin, and Sonbong harbors for its exports.

But it will utilize the South Korean harbors as the temporary storing places of imported freight and its dependence on South Korea's harbors will increase day by day. Accordingly South Korea should invest in the construction of harbors for not only its own freight but of all of northeastern Asia. Without its harbors, South Korea will become a useless country. If South Korea does not construct many harbors, it will eventually lose its huge interests because the main marine transportation companies of the world will utilize Japanese harbors even if they are a little distant.

Because Pusan and Inchun harbors are so saturated, South Korea is constructing a harbor at Kwangyang Bay. Aside from these two, some suitable places for harbors are found in the neighborhood of the South coast including the Kohung Peninsula. The Kunsan harbor, when newly developed, is expected to possess great value. The invested capital in the construction of harbors will be returned in 10-20 years.

In steadily carrying out such public works requiring huge capital, a provisional organization such as the present social overhead utility planning team in the Blue House is insufficient, and instead a special organization such as a maritime ministry should be set up.

Even if South Korea serves as an intermediate base where we store some of China's imported freight and transfer it to small ships, there is also another problem. First of all, the cost of labor in South Korea is expensive. Although China has 17 harbors where small ships of less than 10,000 tons can enter, there will often be times when freight to be shipped off to China piles up for a long time at our harbors due to China's increasing domestic ship freight. Loading, unloading, and storing expenses in such circumstances will become a primary factor in raising the costs. Therefore China will make efforts to take its freight as soon as possible in order to save expenses.

There is an only way to settle this problem. North Korea must clear the way. China has no choice but to request North Korea clear the way so that the railroads can be connected from South Korea's harbors to China.

If freight being imported to the northeastern three provinces of China is transported overland via North Korea from South Korea, much more expenses could be saved. In this case, China will come to realize North Korea is an obstacle to its economic development and will command North Korea clear the way.

Since Russia democraticized, North Korea has no ally to turn to but China. How could North Korea not clear the way? Even for China's part, it has no choice but to take any measure because the ups and downs of China's economy depend upon this issue. Eventually North Korea will come to clear the way as China demands. Accordingly the interchange between North and South Koreas will be a mode that freight, truck drivers and

train operators will begin. Once a road is opened up, it will become wider and more people will pass through day by day.

Before such things happen, North Korea will realize that it has been driven into a corner, unless it changes. The major premise of such exchanges is that South Korea must construct more harbors.

Increasing ship freight, limited harbor capacity, shallow coastal water and disadvantageous natural surroundings of China are the primary factors in raising South Korea's land value. If South Korea constructs more harbors, it will not only increase its national interests, but will let China demand that North Korea clear the way, and eventually the roads between the North and South will be open on their own. [passage omitted]

Han on DPRK Loggers in Russia, Security Law

SK0803080494 Seoul YONHAP in English 0754 GMT
8 Mar 94

[Text] Seoul, March 8 (YONHAP)—South Korean Foreign Minister Han Sung-chu said Tuesday he "will consider favorably" bringing North Korean loggers to Seoul despite legal complications.

"We are terribly concerned about the kind of conditions which North Koreans are subject to," Han said in a press conference at the Foreign Correspondents Club here. Some 150 to 200 North Korean loggers in Siberia hope to either come to Seoul or stay in Russia, the foreign minister said, but "there are legal complications" in trying to bring them to South Korea.

One of the problems is many of the loggers' unclear status in Russia, as they lack passports or some form of identification. Seoul officials say that before they can be flown to South Korea, the Russian Government must determine their identity, define their status and allow their departure. But Seoul is looking for a solution, he said, that "we will consider favorably."

Meanwhile, he defended South Korea's national security law, saying it had been revised through "a unanimous, democratic" process.

"We have an adequate mechanism to protect the human rights of each individual," Han told the foreign journalists, responding to claims from abroad that the law is subject to abuse. With another inter-Korean contact just a day away, Han reiterated that meaningful dialogue between the two is a prerequisite to North Korea-U.S. high-level talks.

Seoul is looking not to isolate but to bring North Korea into the international fold, said Han, so that Pyongyang can adapt to the post-cold war world order.

The foreign minister criticized the recent U.S. decision to revive the Super 301 trade provision, calling it "unfortunate."

Seoul hopes that Washington will tread cautiously so that bilateral trade relations are not harmed in the process of applying the revived law.

ROK To Ask Russia To Guarantee Loan Repayment

SK0803055094 Seoul YONHAP in English 0512 GMT 8 Mar 94

[Text] Seoul, March 8 (YONHAP)—South Korea will ask Russia to assume responsibility for repaying loans extended to the former Soviet Union and to give a written guarantee on undertaking this obligation. A ranking government official said Tuesday the request would be put to Russia at the coming bilateral meeting on the loans slated for late this month in Seoul.

Russia has not made any clear commitment on assuming responsibility for loans to the former Soviet Union totaling 1.47 billion U.S. dollars and overdue interest of 80 million dollars, he added. This will be an important item on the agenda at the upcoming government-to-government meeting with Russia, he said.

In April last year, Russia agreed with the former Soviet Union's group of creditor nations to reschedule the servicing of the group's loans as the successor to the Soviet Union. But Russia has not signed any such agreement with South Korea about the latter's loans to the former Soviet Union.

Under an agreement reached by the group of seven advanced nations in November 1992, Russia will repay 61.34 percent of the loans the former Soviet Union secured from the west and the other members of the Commonwealth of Independent States (CIS) the remainder. Russia would take responsibility for repaying all of the loans only if the other CIS member nations were unable to shoulder their share.

The official said the agreement is the only document that Russia has signed in regard to repayment of South Korean loans to the former Soviet Union, though it vaguely provides for this responsibility.

The government will also request that Moscow repay the loans in the form of industrial materials, land leased in the Far East of Siberia for construction of an industrial estate for South Korean firms, or the rights for South Korean fishermen to fish in the sea of Okhotsk—instead of in the form of arms—if it wants repayment in kind.

Russia has insisted on a written guarantee covering repayment of the loans to the former Soviet Union if South Korea agrees to reschedule the debt servicing in the same manner as that Moscow agreed with the Soviet Union's creditor nations.

President Calls for Efficient Defense System

SK0803074394 Seoul YONHAP in English 0645 GMT 8 Mar 94

[Text] Seoul, March 8 (YONHAP)—President Kim Yong-sam said Tuesday that Cold War tensions have not disappeared yet between South and North Korea, emphasizing that only power can maintain peace. Kim's remarks came during a speech at the commencement ceremony for the Korea Air Force Academy's 42nd class in Chongwon, North Chungchong Province. The president said, "North Korea is in a difficult situation, diplomatically isolated from the rest of the world and suffering from economic poverty. North Koreans are moving their military power close to the front line, and their air power can pose a threat to us in only a couple of minutes."

He asked the graduates not to fail in defending the South's air space. In modern warfare, advanced weapons decide victory or defeat very quickly, the president said. Unless the country boosts its technology to the level of advanced nations, it will not be able to win an economic or technological war or achieve a self-reliant military. "In this respect, our national defense system should be scientific and efficient," President Kim said.

Defense Minister Yi Pyong-tae, Joint Chiefs of Staff Chairman Yi Yang-ho and Kim Hong-nac, the newly appointed Air Force chief of Staff, also attended the ceremony.

Premier Asks for End to Campaign Subsidies

SK0803112594 Seoul YONHAP in English 1023 GMT 8 Mar 94

[Text] Seoul, Mar. 8 (YONHAP)—Prime Minister Yi Hoe-chang asked Home Minister Choe Hyong-u on Tuesday to try to terminate government subsidies to a couple of permanent public campaign organizations. The two organizations the premier singled out were the Central Council of Saemaul Undong (New Community Movement) and the Council for the Promotion of Correct Ways of Living (Barukye-Salki-Hyobuihoe). In an official letter, Yi suggested that the Home Ministry do away with government subsidies to the two organizations by switching them into purely private organizations.

Explaining about the premier's instructions, Choe Kyu-hwak, third administration coordinator of the office of the prime minister, said that the two organizations have been receiving government subsidies under special laws. He said he understands that at the prime minister's instructions, the Home Ministry will work out detailed ways to make the two organizations stand on their own feet. Choe said, however, that this does not apply to the Federation for Freedom (Chayu-Chong-Yonmaeng) which he said is an ideological organization. He thus hinted government funds would continue to be funneled into the federation.

This year alone, 20 billion won in both central and local government funds were set aside for the Saemaul Council and 11.3 billion won for the Correct Ways of Living Council.

Bank Head Says Financial Restrictions To Ease

SK0803013694 Seoul *THE KOREA TIMES* in English
8 Mar 94 p 9

[Text] Basel (Special)—Bank of Korea governor Kim Myong-ho told international financiers Monday that Korea will further ease rules restricting foreign financial institutions business activities in order to promote fair competition.

Speaking before a special meeting of the Bank for International Settlements (BIS) at Basel, Switzerland, in which major European central bank heads are participating, Kim said, "Entry barriers will be dismantled to promote competition among financial institutions, apart from minimum established conditions required to ensure the stability of the financial system."

Kim said foreign banks will be able to "diversify their presence in Korea, establishing joint-ventures or subsidiaries."

He cited two policy tasks which must be tackled successfully in order for Korea to attain the status of a truly advanced economy.

One is to promote the efficiency of the Korean economy, especially the financial sector, by a heightened reliance on market mechanisms rather than government initiatives. The other is to participate ever more positively as a responsible member in the concert of nations, he said.

"In the light of these realities, there is no viable option for Korea but to press boldly ahead with financial liberalization and the opening of its financial market," he noted.

The BOK governor told the BIS special session that business boundaries will be readjusted so as to enhance competition, and increase benefits to clients as well as to mesh with the worldwide trend toward universal banking.

He also said the ceiling on foreigners' portfolio investment will be progressively raised and the criteria for the opening branches by foreign securities companies will also be relaxed this year.

In addition, Kim made it clear that the extent of foreign exchange liberalization will be broadened in the near future.

"Restrictions on the foreign exchange position of banks and the underlying documentation requirements for foreign exchange transactions will be progressively relaxed," he said.

Touching upon capital account liberalization, Kim said Korea will take a cautious and gradualistic approach to

capital market opening. But he added that Korea has now acquired sufficient confidence to allow the process to move into high gear and it will be further accelerated as the country plans to seek full membership in the Organization for Economic Cooperation and Development (OECD) by 1996.

Stressing the most crucial step in liberalizing is to deregulate interest rates, he said the third stage of interest rate deregulation, which will take place in 1996 and will liberalize all deposit interest rates except those on demand deposits, "may well be implemented ahead of schedule as long as financial market and macroeconomic conditions permit."

Kim said policy-based loans, which have become an obstacle to indirect control of the money supply as well as to the managerial autonomy of financial institutions, are being progressively pared back.

He pointed out that stability is one of the most important prerequisites for Korea's financial market liberalization.

"A stability-focused macroeconomic policy is an important element favoring the success of financial liberalization. Liberalization carried out in an unstable macroeconomic environment may well worsen pre-existing instability."

In order to maintain macroeconomic stability under financial deregulation, he said, the BOK will make utmost efforts to keep the money supply at a proper level to ensure price stability.

In addition, he emphasized the importance of adequate prudential regulations in accordance with the progress of financial liberalization.

"It is important for the BOK to induce financial institutions to strengthen their risk management systems and to maintain capital adequacy. In this respect, Korea will apply in full the capital adequacy standards set by the Basel Accord from 1995," he said.

The BOK is in broad agreement with the new proposals of the Basel Committee on banking supervision which take into account market risks concerning derivatives transactions and interest rate risks.

New Chairman of Posco Steel Company Selected

SK0803095894 Seoul *YONHAP* in English 0854 GMT
8 Mar 94

[Text] Seoul, March 8 (YONHAP)—For Pohang Iron and Steel Co. (Posco), the world's No. 2 steel maker, Tuesday's selection of an outsider as chairman marked a first in its 20-odd-year history and came as a great surprise. Because of a conflict of interest between Chairman Chong Myong-sik and President Cho Mal-su that surfaced in January as well as the company's expansion into the cellular phone industry as the largest shareholder of the new Mobile Telecommunications Co.,

a top management reshuffle had long been expected. Nevertheless, the selection of an outsider as top manager caught nearly everyone off guard.

The outsider is former Deputy Prime Minister and Economic Planning Minister Kim Man-chae. A company boasting 12 trillion won (15 billion U.S. dollars) in assets, 7 trillion won in sales and 2.5 billion dollars in exports is now under his leadership.

Trade, Industry and Energy Minister Kim Chol-su, who represents the government as the controlling shareholder of Posco, said he believes the new chairman is the right man to reform Posco's management in line with the Kim Yong-sam government's economic and industrial policy because he knows the policy better than anybody. Indeed, Posco Chairman Kim headed a team of economic advisers to President Kim during his presidential campaign.

Minister Kim thus suggested that Kim was selected as Posco's new chairman at the recommendation of Chongwadae [presidential office]. In other words, he became the steel maker's top manager due to the strong confidence Chongwadae places in him.

Asked about the new chairman's lack of experience in company management, Minister Kim pointed to his chairmanship of Samsung Life Insurance Co., adding there is no firm rule that a steel man must become the top manager of a steel firm. His broad economic knowledge and sharp insight into international affairs will make him a good company manager. Moreover, his drive and experience as the government's chief economic policy-maker make him the most qualified man for Posco's top post, Minister Kim said.

After losing in a previous parliamentary election, Kim has served as chief Korean delegate to the eminent persons' group of the Asia-Pacific Economic Cooperation, director of the U.S. East-West Center in Hawaii, member of the Korea-U.S. Wisemen Committee and chairman of the Korea Foundation for the handicapped.

Burma**Than Shwe Reviews Peace Talks, 1988 Events**

BK0803092694 Rangoon Burma Television Network in Burmese 1330 GMT 7 Mar 94

[Excerpts] Senior General Than Shwe, chairman of the State Law and Order Restoration Council, commander in chief of the Defense Services and patron of the Union Solidarity and Development Association [USDA], addressed trainees at the opening ceremony of management course No. 1/94 for USDA executives held in Union Hall, the Central Public Relations Corps in Hmawbi at 0900 this morning. [passage omitted]

In his opening address, Sr. Gen. Than Shwe said that today's management course is being held for 404 USDA executives from branches in states, divisions, districts, and townships throughout the country. He expressed pleasure at meeting with the trainees.

He said first he would like to explain why USDA branches are being organized firmly and extensively throughout the country. He said the main objective in forming this organization with the people, including patriotic trainees, is to meet the need for national unity which has declined and weakened throughout the nation.

Reviewing the 1988 events [year of the uprising], he recalled that there were many factions among the various strata of society and the youths. National unity was in a state of disintegration and nationalism and patriotism were in decline. There were some who tied the state flag to their legs while some flew it upside down. There were also attacks against the Defense Services which were defending the nation with their lives and eventually there were attempts to cause the disintegration of the Defense Services. These events almost destroyed the national psyche and the way of thinking, and national unity declined at an unprecedented rate.

Sr. Gen. Than Shwe said that this situation was most evident when political parties were allowed to be formed and a total of 235 emerged in such a small country with everyone acting like self-proclaimed rulers. Furthermore, despite measures taken to bring about multiparty democracy step by step, some who could not wait followed the path of armed struggle as a short-cut to power. Instead of holding discussions patiently among ourselves inside the country to find a solution, these persons deserted the national convention, thought highly of foreign powers, and approached them.

Continuing, Sr. Gen. Than Shwe noted that there are also those in the country who oblige the wishes of foreign powers. There are those who echo foreign claims about a lack of democracy and human rights violations in Myanmar [Burma]. He said these actions reflected the decline of national unity and a lack of patriotism. Therefore, he said the USDA was formed systematically with the objective to fill in the role of strengthening national unity.

Sr. Gen. Than Shwe said acts of anarchy prevailed during the events of 1988 and that the USDA was formed to prevent similar events in the future and to promote the observance of law and order among the general public. He said the long-term goal for the trainees is the five aims of the organization [nondisintegration of the Union; nondisintegration of national unity; perpetuation of national sovereignty; promotion and vitalization of national pride; and the emergence of a prosperous, peaceful, and modern Union]. [passage omitted]

He said the five aims of the organization are not temporary in nature, but will have an impact on the future and that these aims will remain forever. There may be political and economic changes in the future, but these aims are not likely to change. These aims will remain constant and firm. [passage omitted]

Continuing, he said he would like to report to the trainees about endeavors being undertaken by the state. He said he would first like to explain an endeavor for national unity, that is, the matter of armed organizations. He said these organizations, which have existed for over 40 years since the achievement of independence, have been undermining the country's economic and social development and causing hardship among the general public. However, he said it is believed that if national unity is constructed, armed organizations will have an opportunity to operate democratically and politically within the framework of law. He said we have invited them in order to provide such an opportunity.

He said because of this invitation, quite a number of these organizations are working hand in hand with the state. Organizations such as KNU [Karen National Union] have been invited to the talks. Mons, Karenni, and Kayah have also been invited. Some are still in the process of holding talks. The invitation has been extended with goodwill because it is believed that the bloodshed and fighting among our own brethren that has been going on for over 40 years is not good and that the time has come to enable the people who have been suffering since independence to live in peace and prosperity. He said it is known to the trainees how some organizations have responded to the invitation and are beginning to cooperate.

Sr. Gen. Than Shwe said another outstanding endeavor today is the convening of the National Convention. Therefore, there are sectors dealing with the National Convention, the reestablishment of national solidarity, and national construction. National construction is related to national solidarity and they are inseparable. He said while the endeavor is being made to invite the armed organizations in the jungle, the legal political parties inside the country were invited to convene [at National Convention] in order to work for unity. These organizations will consult on the emergence of the state constitution.

He said the old constitution has ceased to operate. In order to establish a new nation, a new constitution must

be drafted when the old one ceases to operate and the new one has not emerged. He explained that the National Convention is currently being held in accordance with the policy of reestablishing national solidarity. He said the consultations at the convention have been quite effective. At present, basic principles have been laid down and work is being done on each chapter. He said two outstanding political endeavors are being undertaken—the national convention to draft a new state constitution to establish a new nation, and the invitation extended to armed organizations for national solidarity and to enable them to work peacefully and democratically. He said he had pointed out two major points out of many political developments.

Speaking about the economic sector, he said the economic system is being reformed in preparation for the nation that will emerge in the future. He said, as is known to the trainees, that a market-oriented economy is being established and the people are being allowed to work according to their own physical and mental abilities. He said at present unemployment is declining as more enterprises which provide work are established and people become more well-off. He said there is improvement in production as well as in trade. He said economic measures are being taken to suit the future nation which will be a democratic nation.

Speaking about social development, Sr. Gen. Than Shwe said efforts are being made to develop villages and towns, construct sports facilities to promote moral development, and to promote the education and health sectors.

He said that SLORC is laying down a sound political and economic foundation to ensure that the future nation that emerges is peaceful, prosperous, and stable. He said, meanwhile, efforts are being made for social and moral development. He said the USDA will work hand in hand with the SLORC in these endeavors. [passage omitted]

Commentary Views Rebels' Peace Talks With SLORC

*BK0503135594 London BBC in Burmese to Burma
1345 GMT 4 Mar 94*

[Commentary by Larry Jagan in the "Current World Affairs" program]

[Text] Dear listeners: news reports from Thailand have indicated that at least two Burmese ethnic rebel groups are close to signing cease-fire agreements with the Burmese military regime. In a statement issued a few days ago, the Karen National People's Liberation Front [KNPLF] has cited the possibility of signing an agreement with Burma's military government, the State Law and Order Restoration Council [SLORC], in the near future. Furthermore, according to opposition sources at the Thai-Burma border, it has been learned that the Mon rebel group will meet with Burmese Government officials for another round of peace talks within the coming two weeks. Larry Jagan has reported that the peace talks

process has gained momentum due to the signing of a cease-fire agreement between the Kachin Independence Organization [KIO] and the SLORC in the past week.

The KNPLF is one of the two main Karen groups engaged in cease-fire talks with the Burmese military government. In a statement sent to the media on Sunday, the KNPLF has stated that the 40 years of civil war with the Burmese Government have shown that the ethnic conflict can not be solved by military means. According to the KNPLF, preliminary talks with Burmese Government officials took place last month in Loikaw, the capital of Kayah State, or Karen State as it is more widely known. The KNPLF statement considered the talks as fruitful and hope to officially sign a cease-fire agreement in the near future. Just as in the case of the other ethnic insurgent organizations—the Mon and the Kachin groups—senior personnel from the Burmese Buddhist religious hierarchy acted as mediators before the two sides sat down face to face for talks. According to sources from the Thai-Burma border, the KNPLF and the Burmese Government are making plans to hold further talks in the state capital of Loikaw. As the KIO has opened a liaison office in Myitkyina for further talks and other activities, the KNPLF has similarly opened an office in Loikaw. If a cease-fire agreement is reached with the Karen, it will be a politically strategic opening for the Burmese Government.

Historically and somewhat unnaturally, the Karen state was administered by the British as a separate state without ties from Burma. The Karen state was a state which was allowed to secede according to the 1947 Constitution of Burma, but the Karen movement was not strong enough because of many factions. In the 1970s, the Karen split into two groups—one pro-communist and the other anti-communist. Fighting between the two groups erupted as recently as last year.

The government and another Karen group—the Karen National Progressive Party, KNPP—also held talks in Loikaw last January but at present, the talks seem to be aborted.

And, according to sources at the Thai-Burma border, the (?Mon National Liberation Army) and the New Mon State Party have agreed to hold further talks with the Burmese Government in the Mon State capital of Moulmein within the coming two weeks. However, according to Mon sources, more discussions are needed before a cease-fire agreement can be reached.

At present, the Karen ethnic group, the KNU [Karen National Union], is finalizing its policies by holding executive committee meetings at its headquarters in Manerplaw on holding peace talks with the Burmese Government. However, according to Karen sources, the KNU is still insisting that talks should be held with the Burmese Government outside of Burma.

Karen Rebels Ready for Agreement With SLORC

BK0503110094 Oslo Democratic Voice of Burma in Burmese 1430 GMT 4 Mar 94

[Text] The Karen National People's Liberation Front [KNPLF] has issued a statement on the cease-fire talks with the State Law and Order Restoration Council [SLORC]. The statement, issued on 27 February, showed optimism that the cease-fire agreement between the KNPLF and the SLORC would be signed in the near future. It stated that the present world situation and Myanmar's [Burma] circumstances have shown that all political problems can be solved peacefully by negotiation. Myanmar, which is part of the international community, should resolve ethnic problems and armed insurrections peacefully using political means. The KNPLF, for the good of all the people in the Karen State—who have suffered bitterly from the civil war which has been going on for more than 40 years—has decided to hold talks with the SLORC. The statement also noted that the decision was made to stop the use of Karen people as forced labor, prevent forced relocation, and overcome economic difficulties. In accordance with SLORC's invitation of 18 November 1993 to hold talks with ethnic armed organizations, the KNPLF sent Lieutenant Colonel Tin Tun to hold talks with the SLORC on 18 December 1993. Colonel Maung Kyi, Major Zaw Thet Naing from the No.27 military intelligence unit, and other members from the SLORC's side held talks with Col. Tun Kyaw, KNPLF vice chairman and commander in chief, and a delegation in Me Thet Village, Loikaw Township, on 8 February 1994. Religious leaders—Roman Catholic Bishop Sotero Phamo and Baptist Pastor Saw Ambia—attended the meeting as observers.

The KNPLF hopes that the SLORC will be able to sign a cease-fire agreement in the near future and believes the bilateral talks will lead to peace for the benefit of the Karen people and for the development of peace, tranquility, democracy, and harmony in the Karen State.

Brunei, Malaysia & Singapore**Malaysia****Police Chief Views ASIS Agent Allegations**

BK0803122394 Kuala Lumpur Voice of Malaysia in English 0600 GMT 8 Mar 94

[Text] The Malaysian police is seeking to interview the two Australian newspapers that had reported that some senior members of the Malaysian parliament had received cash payments from ASIS, the Australian Secret Intelligence Service. Inspector-General of Police Tan Sri Rahim Noor said this to newsmen in Kuala Lumpur today.

He disclosed that the police, through the arrangement of Interpol, is hoping to interview the editors or the reporters who wrote the reports in the newspapers concerned. The two dailies are the Sydney-based SUNDAY TELEGRAPH and CANBERRA TIMES based in the Australian capital. SUNDAY TELEGRAPH had reported on 10 January that senior opposition members of parliament have over the years received tens of thousands of dollars from ASIS. CANBERRA TIMES, however, reported on 3 February that the recipients were members from the ruling party.

Tan Sri Rahim said the police is viewing the allegations very seriously and he hopes the two newspapers will give the necessary cooperation.

Minister Assails Western Portrayal of Islam

BK0803100694 Kuala Lumpur Voice of Malaysia in English 0600 GMT 8 Mar 94

[Text] Defense Minister Datuk Sri Najib Tun Razak has regretted the attitude of the Western media, which frequently portrayed Islam as an antidemocratic religion. Islam is also portrayed as an intolerant and its followers as fanatics craving for war. He said the Western media frequently resorted to tactics of generalization and simplification to portray Islam's image by claiming that the Islamic movements in Algeria and Afghanistan, for instance, were also prevalent in other countries. All these were described as that of Islamic fundamentalists. The Western media went to the extent of describing the victory of the Islamic Salvation Front in Algeria in 1992 as the victory of totalitarianism of democracy.

Datuk Sri Najib said Islamic leaders are often associated with a negative image even if they had achieved economic excellence for the benefit of their people. He made these remarks at the forum on current challenges in the Islamic world and the role of Malaysia, organized by the Malaysian Strategic Research Center in Kuala Lumpur.

*** MCA Cooperation With BN in Sabah Elections**

94SE0073B Kuala Lumpur BERITA HARIAN in Malay 1 Feb 94 p 1

[Text] Kota Kinabalu, 31 Jan—The MCA [Malaysian Chinese Association] has decided not run in the state election on 18 and 19 February in order to ensure the victory of the National Front (BN) candidates from districts where the majority of voters are of Chinese descent. MCA President Datuk Seri Ling Liang Sik said the decision was made after talks about the subject were held among MCA federal and state leaders and a detailed study was made of the party's chances.

Nevertheless, he said, the MCA, which is one component party of the BN, will not be idle but will use its election machinery to help BN candidates, particularly in districts where the majority of voters are of Chinese descent. "All MCA leaders and supporters will work

hard to give unified support to ensure that BN candidates win in this election. I believe the decision we have made will increase support for all BN candidates by people of the state," he told reporters upon his arrival here at noon today.

When asked about the possibility the MCA will give support to the Sabah Progressive Party (SAPP), a new party formed in the state, he said, "Our commitment to the BN is clear. If they (the SAPP) join the BN, we will certainly give undivided support to their candidates." As for the possibility that its decision will hurt the morale of Sabah MCA members and their support for BN candidates, Dr. Ling said the matter has been accepted with true BN spirit. He said he has received pledges and undivided support from them so that all BN candidates running in this election will gain absolute victory.

"MCA members agree that they still need time before taking part in an election, although support for the party is on the increase in the state. For them, a BN victory in this state election is quite important for ensuring that economic growth and development in Sabah moves smoothly," he said.

The MCA expanded its influence to Sabah last year, two years after UMNO [United Malays National Organization] formed a branch in the state. Meanwhile, Sabah MCA Chairman Datuk Dr. Fong Chan Onn, said that all party members in the state agree with the decision that was made and have reiterated their support for the BN. MCA was the second BN component party to announce it would not put any candidate in the state election on 18 and 19 February.

Yesterday, the Liberal Democratic Party (LDP) announced that it would not participate in this election in order to make way for SAPP candidates if the SAPP joins the BN before the state election. LDP President Chong Kah Kiat said his party will support the leadership of SAPP, which is headed by former Deputy Chief Minister Datuk Yong Teck Lee.

It was reported yesterday that Yong said the SAPP will apply to join the BN before the general elections in the middle of this month. Meanwhile, Sabah UMNO Information President Karim Ghani welcomed the decisions of the MCA and the LDP as a willingness to sacrifice for the sake of the BN.

* Paper Applauds National Front Sabah Policy
94SE0073A Kuala Lumpur BERITA HARIAN in Malay 2 Feb 94 p 10

[Unsigned Editorial: "BN (National Front) Formula for Unity"]

[Text] The people of Sabah have been given a guarantee that the post of chief minister will be held in turn by leaders of the three largest communal groups in the state if the National Front (BN) wins in these elections. Datuk Sri Dr. Mahathir Mohamad said that in this way the BN

will be able to ensure that each communal group has a responsibility for bringing Sabah into a new era. We feel that this is a sincere effort by the BN to stand up for the people of Sabah so that they will not constantly be mired in narrow communal politics full of deceptive personal interests. We agree that the country's success up to now has been because of, among other things, leaders who are not only capable and dedicated, but who are also sincere and honest in serving the people. In truth, there is nothing worse for a country than having leaders who are greedy for power for the sake of personal interests.

Beginning with the Alliance and continuing through the BN, our success in overcoming communal problems is because of a spirit of cooperation among leaders and party members representing various communal groups. Such tolerance and consensus can resolve any problem and create political stability for developing Malaysia. We believe that if this concept had not been introduced and nurtured, Malaysia would have been multicomunal country facing frequent disturbances. As a result, every citizen of this country would have been left behind by the development process.

We are sure that the Sabah United Party (PBS) will use Dr. Mahathir's guarantee to inflame the sentiments of the people of Sabah, particularly the Kadazan community. That is the normal political practice of the PBS when under pressure, but we believe the people of Sabah have discernment. Their evaluation of the BN is not merely at election time, but they look at its "track record" throughout the era of its governance since the days of the Alliance. The BN's concept is measured by its success. The BN has proved its ability to unite a multi-racial people and manage the country's economy efficiently and wisely. For us, there is no alternative to the BN. This is because the pact among its parties is constant and lasting, unlike the confusion of pacts among opposition parties that are made only when elections take place. Afterwards, they scatter to themselves and their differences. The failure of pseudopacts among opposition parties is because their leaders are not honest and are interested in their own pockets. This disease has clearly spread to Sabah. What we see are former USNO [United Sabah National Organization] leaders conspiring with the PBS. In order to have power, they are willing to try to win the hearts of the people, even though, having left the BN, they are forced to ride the PBS symbol in this election. This situation is very different from that of the BN. Because we believe that the interests of the people are above everything, we do not object to compromise. The Liberal Democratic Party (LDP) was willing to pull its candidate to make way for the Sabah Progressive Party (SAPP) to run as an assurance that the Sabah Chinese community will be cared for. Similarly, the MCA [Malaysian Chinese Association] adhered to the BN concept and was willing not to run, although SAPP had not yet been accepted into the BN. All these things were done because of the realization that politics for the sake of one communal group, one party, or one group of leaders will not last. It is the

opinion of those parties that PBS leaders manipulate the Chinese community, not for the sake of the Kadazans, but for their own interests. The BN will always adhere to this principle of tolerance, because if we bow to an individual or a group, the BN will face destruction. For us, the victory of the BN in this election is very important for the sake of restoring Sabah's economic excellence and the advancement of its people.

We admit that there are sometimes "minor ripples" in the BN, but they do not hurt it. On the contrary, its situation is further strengthened when a problem is resolved in a spirit of solidarity. What is even more important is that all communal groups must try to increase unity and understanding. Although it is difficult for us immediately to eliminate the identity of a particular communal group and replace it with the sense of a single nation, we must not inflame communal spirit, which would bring tension to the country's political and social climate. We need to remember that all communal groups can together obtain greater benefit from national stability than from a single communal group's seizing everything for itself. Therefore, there is no reason why the citizens of the Peninsula, Sabah, and Sarawak should fail in jointly achieving greater success for a brighter future.

Singapore

'Official Sources' Reaffirm Caning Verdict

BK0803123094 Hong Kong AFP in English 1148 GMT 8 Mar 94

[Excerpts] SINGAPORE, March 8 (AFP)—Singapore is expected to stand firm on the court-ordered flogging of an American teenage vandal despite a strong protest from U.S. President Bill Clinton, official sources said Tuesday. An official, queried on the protest lodged Monday, pointed to a weekend statement by Deputy Prime Minister Lee Hsien Loong, saying it indicated Singapore was unlikely to yield ground on the issue. Lee had said that foreigners living in Singapore would have to abide by local laws. "These laws are published, they are transparent. Everyone knows about them," he said, according to local news reports.

Michael Peter Fay, 18, was sentenced on Thursday to four months jail, six strokes of the cane and fined 3,500 dollars (2,200 US) for spray-painting cars, pelting them with eggs and retaining stolen property. The court-ordered flogging drew immediate criticism from a senior US diplomat here and the American Chamber of Commerce, which said it was "shaken" by the sentence.

The Singapore government is expected to issue a formal statement responding to Clinton's announcement that Washington had filed "a strong protest" over the affair. Clinton had said that while he recognised that the Singapore authorities were acting within their jurisdiction, he hoped the caning decision would be reconsidered. "We recognize that they have a certain right to

enforce their own criminal laws. But we believe that based on the facts and the treatment of other cases, similar cases, that this punishment is extreme and we hope very much that somehow it will be reconsidered," he said. [passage omitted]

Some analysts said Washington's protest may have been poorly timed because Fay, a student at the American school here, is on bail pending appeal to a higher court. The judicial process was therefore still not completed, they said. Lee said Saturday that Singaporeans had been ordered caned for similar offences and that it would be absurd to have separate laws for locals and Americans. There was no reason why "foreigners should be more thin-skinned," he said.

Singapore's home affairs ministry said after the subordinate court ruling that the same laws applied to Singaporeans and foreigners. Of the 14 people, between the age of 18 and 21, convicted for vandalism and ordered caned over the last five years, 12 were Singaporeans, it said. A juvenile court will next month sentence a 15-year-old Malaysian who pleaded guilty to two counts of vandalism while a 16-year-old Hong Kong resident will go on trial, also for vandalism, next week.

Minister on Vandalism, Ties With U.S.

BK0703152394 Singapore THE STRAITS TIMES in English 7 Mar 94 p 20

[Text] Singapore—Home Affairs Minister Wong Kan Seng said yesterday that he did not think Singapore's relations with the United States would deteriorate over the court decision here to sentence American teenager Michael Peter Fay to jail, caning and a fine for vandalism. He told reporters at the Bishan East PAP [People's Action Party] Women's Wing function: "Whether it is a large group of foreign workers or one individual being caned, it doesn't affect bilateral relations that countries build up over the years. There are broader interests between countries than just the behaviour of individual citizens. Every country looks at relations based on national interests."

He added that, ultimately, it was the prerogative of each country to administer the law in its own way. "And that, we expect of America, whose citizens are here. And similarly, we expect the same of Singaporeans when they go abroad."

Fay was sentenced to four months' jail, six strokes of the cane and was ordered to pay a \$3,500 fine after he pleaded guilty to two charges of mischief and one charge of dishonestly retaining stolen property. The American community, through the embassy and its business council, has expressed concern over the caning sentence.

Malay Organization Condemns Hebron Killings

BK0703151494 Singapore THE STRAITS TIMES in English 7 Mar 94 p 15

[Excerpt] Singapore—The Singapore Malays National Organization (PKMS) condemned the Hebron massacre

of Palestinians as an act of cowardice in a statement issued on Saturday. It said that the act was especially offensive as it was committed in a mosque.

"We hope the United Nations will conduct a full investigation and deploy a peacekeeping force in order to preserve peace and protect the Palestinians who are vulnerable to armed Israeli settlers." The perpetrators should be tried, said the party in the statement signed by acting president Atan Rafie.

The statement comes in the wake of internal divisions and power struggles within the party. [passage omitted]

Cambodia

Government Attacks Khmer Rouge Base at Pailin

BK0803085294 Phnom Penh CAMBODIA TIMES in English 6-12 Mar 94 p 1

[“Newsflash”]

[Text] The Royal Army has launched its long awaited assault on the Khmer Rouge military base at Pailin. More than 7,000 men, including 3,000 policemen with military training are taking part in the operations. The Royal Army is backed by tanks, armored personnel carriers, vehicle-mounted rocket launchers, Katyusha rockets and 130-mm artillery pieces.

The CAMBODIA TIMES has been informed by senior military officers that the initial casualty report will be available soon. Fierce fighting was believed to be taking place in many areas as a result of the offensive which commenced last Wednesday, 2 March.

The army has moved from positions in Pursat, Bavel district and Samlot in a multi-prong attack.

Military sources said that the timing and positions of attack have been clearly planned and victory is expected to come before the end of the week.

Details on Sihanouk Travel Plans Reported

BK0803072294 Phnom Penh REAKSMEI KAMPUCHEA in Cambodian 6 Mar 94 p 2

[Text] In another message from Beijing to National Assembly Chairman Samdech Chea Sim and to Samdech Krompreah Norodom Ranariddh and Samdech Hun Sen, Cambodia's first and second prime ministers, His Majesty King Norodom Sihanouk says that he has plans to stay in Cambodia for two months starting from the day he arrives on 8 April.

The king, however, says that his Chinese doctors have prohibited him from going out of the royal palace to visit various provinces because of his health.

In his previous message he said that he planned to visit some provinces in May, after his arrival in Cambodia on 8 April; however, these visits have to be canceled

because of his doctors' instructions. The previous message also reveals that the king also plans to mark the 90th anniversary of his late mother, Queen Sisowath Kosomak; meet with the royal government; and receive guests and various credentials, and so on.

The king notes that Chinese doctors have suggested that he return to Beijing in May to continue the treatment of his bone marrow cancer with chemotherapy and radiotherapy. The Prince Father, however, insisted that he wanted to stay in Cambodia for two months saying that he seems to have recovered his strength. The prince says in a moving sentence that "If I am still alive and my health gets better, I want to visit Kratie, Pursat, Stung Treng, Ratanakiri, Mondolkiri, and Koh Kong Provinces."

Since the king cannot visit the provinces, he has invited delegations from over 10 provinces to see him and the royal consort for about an hour at the Tevea Vinichhai Pavilion in the royal palace. He has also asked that careful protection be given to avoid incidents when these provincial delegations travel to Phnom Penh.

Sihanouk Appoints Governors Attached to ADB

BK0603090294 Phnom Penh National Radio of Cambodia Network in Cambodian 1300 GMT 5 Mar 94

[Text] Decree:

I, Samdech Preah Norodom Sihanouk Varaman, king of Cambodia,
Having seen the Constitution of the Kingdom of Cambodia;
With reference to the 24 September 1993 decree appointing the first and second prime ministers and the National Assembly's 29 October 1993 vote of confidence for the cabinet lineup; and
In keeping with the 24 December 1993 recommendation of the first and second prime ministers, orders that:

Article 1. His Excellency [H.E.] Sam Rangsi, minister for economy and finance, be appointed as governor attached to the Asian Development Bank [ADB];

Article 2. H.E. Cham Prasit, state secretary for economy and finance, be appointed as deputy governor attached to the ADB;

Article 3. The first and second prime ministers of the Royal Government of Cambodia be charged with implementing this royal decree;

Article 4. This royal decree become effective the day it is signed.

[Signed] Norodom Sihanouk

Radio: Peace Corps Volunteers Said Really CIA

BK0603085894 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 5 Mar 94

[Text] For 30 years, the Cambodian nation and people, like the peace-loving countries worldwide and especially

the Third World countries in Southeast Asia and Latin America, have been mercilessly victimized by the United States' secret organization, the CIA. The latter has carried out all manner of the most poisonous activities against the sacred wish of diverse countries desiring to live with unity and in peace within their territorial integrity.

Our nation and people were victims of the 1970 coup d'état organized by the CIA, which has continued to destroy Cambodia's independence, peace, and neutrality. Now there are reports that the United States has decided to send a Peace Corps, which is a division of the worldwide notorious CIA to Cambodia to continue destructive activities against our nation and people.

Our nation, people, and the patriotic forces will in no way remain idle and allow the CIA or its Peace Corps to do away with Cambodia at will. We will certainly continue our struggle to restore Cambodia's independence and peace within its territorial integrity.

Khieu Samphan Protests Tokyo Meeting on Aid

*BK0503132094 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian
2330 GMT 4 Mar 94*

[Open letter from Khieu Samphan, head of the party of Democratic Kampuchea, to the representatives of countries and international organizations who will attend the Tokyo conference from 10 to 12 March 1994; dated 4 March—read by announcer]

[Text] Your excellencies, ladies, and gentlemen: as representatives of your countries and various international organizations or agencies, you will attend the international conference to collect aid for Cambodia, which will be held in Tokyo from 10 to 12 March 1994.

On behalf of the national resistance forces of Democratic Kampuchea [DK] and the Cambodian nation and people in the countryside, in the cities, and in Phnom Penh and abroad who have taken part in the struggle against the Vietnamese enemy aggressors for the defense of Cambodia's land and race since 1979, I would like to submit to all of you, excellencies, ladies, and gentlemen—who are representatives of countries and governments that cherish peace and justice in the world and have all along provided firm support to the just cause of the Cambodian nation and people—this open letter for your consideration.

I. In the past, the party of Democratic Kampuchea [PDK] always welcomed and supported all initiatives and international conferences aimed at mobilizing relief assistance to alleviating the misery and suffering of the Cambodian nation and people, victims of the Vietnamese war of aggression.

The PDK always urged that humanitarian aid provided by the international community reach the needy Cambodian people.

The PDK's position on this matter, either before or after the signing of the Paris agreement, is already known to national and international public opinion.

II. At the same time, the PDK has also done its utmost to oppose any activities which, under the cover of assistance of any kind, are aimed at consolidating and developing the Vietnamese-installed regime, continuing the war in Cambodia, and allowing communist Vietnam to swallow up the Cambodian nation and race through military aggression, demographic invasion, and through the power structure it has set up in Cambodia since 1979.

III. Your excellencies, ladies, and gentlemen, you are not unaware that ever since its formation, this government with two prime ministers has been used by the Vietnamese communists and the alliance as an instrument to launch small- and large-scale military operations aimed at destroying the Cambodian national resistance forces and the people in the DK's liberated zone so that they will be able to vie for their own interests in Cambodia.

At first, they launched the military operations against the region of Phnom Chhat in Thmar Puok District of Battambang Province and against Stoung in Kompong Thom Province. Then, starting from September 1993, they have mobilized a large number of troops with many top-ranking commanders and a huge amount of weapons, ammunition, and other war materiel to destroy the national resistance forces in the region of Anlung Veng in Oddar Meanchey Province. The objective of their large-scale military operations is to eliminate the DK forces, which support His Majesty King Norodom Sihanouk's five-point idea for Cambodia to achieve genuine national reconciliation, national unity, and peace.

It can be said that the military operations launched by this government with two prime ministers are against national reconciliation and peace in Cambodia. On the surface, it is fighting between the two-headed government's forces and the DK forces. However, the formation of the government with two prime ministers and the current Khmer Royal Armed Forces and the strategic policy of the countries which they serve are known to all.

Their true nature is that of all-round power structures set up by the Vietnamese aggressors since 1979, with the only difference being that the personalities of some political parties have been put in here and there in order to mislead national and international public opinion.

Diplomatic sources in Phnom Penh have also clearly indicated that there have been a large number of Vietnamese forces in Cambodia. They are to be found in various ministries, in the puppet army, and even taking part in the fight against the national resistance forces on various fronts, particularly on the Anlung Veng battlefield.

Since August 1993, even though the Cambodian nation, people, and national resistance forces have insisted on

talks among all Cambodian leaders with a view to achieving national reconciliation and unity so as to restore peace in Cambodia, and even though the king himself made a five-point proposal on 24 November 1993, the Vietnamese communists' puppets, such as Hun Sen, Tie Banh, and others, have only cried out: Fight, fight, fight!

In his proposed annual plan, Hun Sen has called for the military strength to be expanded by forcibly enlisting students, workers, and farmers in villages and communes so as to continue the vietnamese war of aggression.

In its various trips abroad, the government with two prime ministers has tried hard to buy arms and ammunition and to request assistance regarding military equipment. It has gone so far as to rubber-stamp communist Vietnam's sending of its troops and war materiel into Cambodia under the cover of the so-called cooperation on military issues between Cambodia and Vietnam worked out during Chea Sim's trip to Hanoi at the beginning of this month. Besides, communist Vietnam continues to send its nationals to Cambodia under the framework of its strategy to swallow up Cambodia through demographic invasion. The number of those Vietnamese in Cambodia has increased to nearly four million. This is indeed a very big threat to the survival of the Cambodian nation and people.

IV. In brief, we can see that Vietnam's war of aggression continues unabated either through military war or demographic invasion or through the power structures it has set up since 1979.

In such a situation, will the assistance of all kinds provided by the international community to the government with two prime ministers be able to rebuild the country? Or will it be helpful to the Vietnamese communists, their puppets, and the alliance in continuing to kindle the flames of war that will bring about ruin and destruction for Cambodia and its people and death to the Cambodian nation and race?

During the past 14 to 15 years, especially after the signing of the Paris agreement, have the Vietnamese communist puppets built anything in the interests of the Cambodian nation and people with the huge amount of assistance—worth millions of dollars—given to Cambodia by the international community? Rather, have they not used all that money to expand their war machinery and their instruments for repressing the Cambodian people?

Every dollar given by you to the victimized Cambodian people as humanitarian aid has been diverted by the Vietnamese puppets to buy ammunition and poisonous products to kill the Cambodian nation and people.

Past experiences show that the assistance generously provided by the international community to Cambodia will certainly be transformed into weapons used by the Vietnamese communists, the Vietnamese puppets, and

the alliance to carry on the war to kill the Cambodian nation and race—which is what they have been doing ever since the formation of this government with two prime ministers.

The flames of the war will flare up with no end in sight. In such a situation, will the assistance to be provided by the international community for the construction of Cambodia not be in contrast to your purpose? If so, how will this affect your consciences as the representatives of the peace- and justice-loving countries and governments who want to help relieve the Cambodian nation and people from misery and suffering?

If the Vietnamese war of aggression continues in Cambodia, will it be beneficial to Cambodia as well as to the strategic, political, and economic interests of the countries in this region or not? Will communist Vietnam, which annexed Laos and Cambodia, not be a threat to regional security?

On the contrary, if the assistance is used to compel the government with two prime ministers to accept and implement the five-point guideline of His Majesty King Norodom Sihanouk so that Cambodia achieves genuine national reconciliation, national unity and peace, will this not be a benefit to Cambodia and the region as well?

Once Cambodia has national reconciliation and peace and investment from countries near and far, will this not help to ensure the security, stability, and prosperity of the Southeast Asian region?

V. On behalf of the PDK and the Cambodian people who have taken part in the struggle against the Vietnamese aggressors for the defense of their nation and race as well as for peace and security in this region, I would like to make a sincere appeal to you, the representatives of peace- and justice-loving countries and governments and of the international organizations, to consider whether to provide the assistance in a way that will help the Vietnamese communists, their puppets, and the alliance continue their war to kill the Cambodian nation and people and menace regional peace and security, or instead to use this assistance to compel the government with two prime ministers to accept and implement the five-point guideline of His Majesty King Norodom Sihanouk that will pave the way for the achievement of genuine national reconciliation, national unity, and peace in Cambodia, thus strengthening peace and security in the region—a way which is the best for peace in Cambodia and in the region.

[Signed] Khieu Samphan, head of the PDK
[Dated] 4 March 1994

Khmer Rouge Attack Positions in Battambang
BK0803085094 Phnom Penh AKP in French 0405 GMT
8 Mar 94

[Text] Phnom Penh 8 Mar (AKP)—On 3 March Khmer Rouge soldiers attacked several positions of the Khmer

SOUTHEAST ASIA

FBIS-EAS-94-045
8 March 1994

Royal Armed Forces in Bavel District, Battambang Province, about 300 km northwest of Phnom Penh. According to Battambang's provincial police, some 50 Khmer Rouge soldiers from Divisions 320 and 450 attacked the position in the Prey Khpos sector for half an hour.

At the same time, 30 other Khmer Rouge soldiers occupied the government forces' positions in Ampil Pram Daeum Commune for a few days.

Two other positions in this commune and the Commune of Kdol Ta Hen also came under attack from Khmer Rouge forces.

Ampil Pram Daeum and Kdol Ta Hen were attacked three times by the Khmer Rouge last January and February. The current activities of the guerrillas appear to be acts of banditry which have caused great losses in human life and property to the local population.

Indonesia

* Home Minister on 'Openness,' Political Reform

94SE0071B Jakarta SUARA PEMBARUAN in Indonesian 27 Jan 94 p 11

[Text] Jakarta, 27 Jan—Minister of Home Affairs Moh. Yogie S.M. stressed that political reform is a consequence of increasing openness and democratization. This reform is being spurred in order to create increasingly stable quality as a nation and greater progressive ness and self-sufficiency in life as a state.

Although there are now many challenges, the desires for political changes by part of society are a product of the success of national development. "Therefore, we view them positively and do not belittle the demands of society, because the reformation produced by openness and democratization must be consistent with Pancasila and the 1945 Constitution."

Yogie said this Wednesday [26 January] at the Department of Home Affairs, Jakarta, in a limited working meeting of governors from throughout Indonesia in connection with preparations for implementation of the 1994-95 RAPBN [Draft National Budget] and RAPBD's [Draft Regional Budgets]. There was also discussion of political upbuilding, stabilization of the mechanism for selecting heads of first and second level regions, and implementation of the INPRES [Presidential Instructions] Program for Backward Schools (IDT).

He also said, "Because of growing public political awareness, political upbuilding of the people must be inspired by the people's aspirations, which naturally carry much weight. Good aspirations are those that benefit the prosperity of all the people and avoid giving attention to only one group. Because giving attention to only one group could trigger disintegration, it must be avoided."

Besides, he said, approaches based on aspirations can be properly realized only if supported by a strong political infrastructure and superstructure. An awareness needs to be implanted among the people that the aspirations that are developing, as an aspect of openness, must adhere to norms, ethics, and rules.

The same point of view on the part of the government and the people will create future political communications marked by dialogue and harmony. Such communications require a society that is full of aspirations as people who are independent and free from pressure and dependency.

The domestic political supervisor also said that because democracy is a situation that is always developing, it is not possible to determine a standard model, let alone make the democracy of any specific country a model that must be imitated. "Democracy cannot be developed immediately as merely a single phase. Basically, democracy develops spontaneously (not engineered). There may be many natural characteristics. Democracy should not be developed through 'social experimentation' and certainly not by repeatedly trying things, because what is at stake is the nation's security and the country's unity," the minister of home affairs said.

Touching on the 1994-95 budget, he said the Department of Home Affairs has established a set of programs to cover nine sectors, 14 subsectors, 23 programs, and 105 projects, with funds totaling 40.476 billion rupiah, which means an increase of 7.5 percent over the 1993-94 budget.

* Religion Oversight Coordination Team Formed

94SE0071A Jakarta SUARA PEMBARUAN in Indonesian 19 Jan 94 p 11

[Text] Jakarta, 19 Jan—During the last 40 years, the government has banned hundreds of faiths that have emerged in Indonesia. As an effort to revitalize the PAKEM [Oversight of Faiths Among the People] Team, Attorney General Singgih, S.H. [Master of Laws], installed the Central PAKEM Coordination Team at the Attorney General's Office Building in Jakarta.

From the time it was formed in 1949 until 1993, the PAKEM banned 523 faiths. The team's job is to receive and analyze reports and/or information about faiths among the people. The PAKEM Team also has the job of carefully researching and evaluating developments in particular faiths to ascertain their impact on public order and security.

At the central level, the team is chaired by the attorney general, with the deputy attorney general for intelligence as deputy chairman. Other members of the PAKEM Team include the director general of sociopolitical affairs of the Department of Home Affairs, the director general of culture at the Department of Education and Culture, the assistant for territorial affairs to the ABRI [Indonesian Armed Forces] chief of General Staff, the

second deputy to the chief of the State Intelligence Coordinating Agency, and the director of intelligence and security for the Indonesian Police.

As he installed the Central PAKEM Coordination Team, Attorney General Singgih said that the heterogeneity of the Indonesian people with respect to ethnic groups, religions, races, classes, cultures, and languages provides potential for the emergence of interference with national unity and integrity.

"The Central PAKEM Team has been formed to oversee the activities of faiths to ensure that they will not plunge into endeavors that could threaten the order of society and state under applicable laws," he stated. According to Singgih, the PAKEM Team will also face challenges and obstacles that must be resolved collectively with regard to legal materials, coordination among involved agencies, facilities, and infrastructure.

Nevertheless, the attorney general said he was confident that by looking sharply at the problems being faced and by carefully formulating efforts to deal with them—and equipped with the experience of its members—the team will be able to take integrated action to handle the various issues involved in overseeing faiths among the people.

Meanwhile, Soeparman, S.H., chief of public relations for the Attorney General's Office, said that the background of the revitalization of the PAKEM Team is the flow of globalization, which makes possible the entrance of foreign or existing faiths that could influence faiths already present in Indonesia.

In principle, the government will ban faiths that deviate from GBHN [Broad Outline of State Policy] provisions on the subject, namely that the promotion of faith in One God must not be oriented to the formation of new religions and that such promotion must be in accordance with the first and second principles of Pancasila [ideology of the Indonesian state].

Faiths that deviate and are banned are those that are not consistent with Indonesia's national political, economic, social, and cultural conditions, he explained.

Philippines

Officials To Support ASEAN Arms Registry
BK0703085794 Manila MANILA STANDARD in English 3 Mar 94 p 7

[Text] The Philippines will push for the implementation of the agreement to set up an arms registry within the Association of Southeast Asian Nations to monitor conventional arms buildup in the region at a special ASEAN senior officials' meeting on 7 March in Bangkok, Thailand.

The 7 to 9 March meeting will take up solutions to "dampen friction" within the region by coming up with

methods to contain potential flashpoints in East Asia, Foreign Affairs Undersecretary Rodolfo Severino said. The meeting will be attended by high-level foreign affairs, defense and security officials in the region. Severino said that instead of tackling specific issues, such as the territorial disputes in the South China Sea involving the Spratly and Paracel Islands, the conference will discuss "general means" to sustain the political stability in Southeast Asia.

For instance, instead of talking about North Korea's nuclear sites, ASEAN senior officials would focus on making the region nuclear-free, Severino said.

The "operationalization" of a previous agreement to monitor conventional arms buildup within the ASEAN is also one of the items to be discussed during the meeting.

An arms registry has already been set up in Singapore but the agreement has yet to be implemented. The program is patterned after the United Nations, in which conventional arms purchases and development are monitored and inventoried, and transparency in weapons buildup is ensured, Severino said.

The meeting will also discuss the implementation of a separate agreement among ASEAN members on disaster-relief operations. The agreement calls ASEAN countries to coordinate efforts in helping member-states in disaster-relief operations through technical and financial assistance.

Severino said there have also been proposals to set up a security body within the ASEAN to settle disputes among member nations, although the group has been approaching the issue cautiously due to possible misperceptions that it might be a prelude to setting up a military alliance within the region.

Meanwhile, Severino said that the territorial dispute in the South China Sea involving the Spratly Islands will be one of the talking points during the 11 March bilateral consultations between the Philippines and Vietnam scheduled in Manila. The Philippines, Vietnam, China, Malaysia, and Brunei have asserted claims either in whole or in part on the oils-rich Spratlys. The Philippines will reiterate its desire for the peaceful resolution of the territorial dispute during the RP [Republic of the Philippines]-Vietnam talks. China and Vietnam have the potential to use force in settling their claims.

The Philippines will also bring up during the discussions the situation of some 200 "boat people" or refugees in Bataan who have been ensured of resettlement but were later abandoned by the United States.

Voters Reject Cordillera Autonomous Region
BK0703090594 Manila MANILA STANDARD in English 3 Mar 94 p 5

[Text] Kalinga-Apayao voters have overwhelmingly voted against ratifying the organic act creating the Cordillera Autonomous Region (CAR). This was bared by

SOUTHEAST ASIA

the Commission on Elections [Comelec] yesterday. Comelec Commissioner Vicente de Lima reported that 92 percent of the votes cast in the 28 February special plebiscite rejected autonomy for the Cordilleras.

De Lima said 71 percent of the total voting population of Kalinga-Apayao of 21,018 registered voters went to the polls. The count, as authenticated by Attorney Sonia Dipasupil-Barros, Director IV of the Education and Information Department of the Comelec, was 13,793 against and 1,212 for. The voting conducted in 108 precincts in five Kalinga-Apayao towns went as follows: Tinglayan: Yes, 350; No, 5,791; Pinukpuk: Yes, 163; No, 2,832; Conner: Yes, 59; No, 1,000; Balbalan: Yes, 361; No, 950; and Tanudan: Yes, 279; No, 3,220.

Thailand

Prasong Meets U.S. Official on Regional Issues

*BK0803053394 Bangkok Thai Color Television
Channel 9 in Thai 1200 GMT 7 Mar 94*

[Text] Foreign Minister Squadron Leader Prasong Sun-siri reported on his meeting with John Shattuck, assistant to the U.S. secretary of state, at the Foreign Ministry this afternoon.

He said the discussion included recent fighting between the Cambodian Government and the Khmer Rouge faction. He informed the guest that the situation in Cambodia will not become more violent than it is now. In addition, they also discussed Thailand's plan to invite Burma to attend as a guest the ASEAN foreign ministers meeting to be held in Thailand in July.

[Begin Prasong recording in progress] ...that there should be no problem. As far as I have discussed this issue with authorities of other ASEAN member countries, they do not want Burma to be isolated. They wish to see Burma constructively join activities in this region. They all share the same view. However, I will have to consult with all other ASEAN friends. [end recording]

**NAFTA Expansion Could Hamper U.S.
Investment**

*BK0803023594 Bangkok BANGKOK POST in English
8 Mar 94 p 17*

[Text] American investment in Thailand may be affected if Singapore and Korea are accepted into the North American Free Trade Agreement (NAFTA), says M.R. Napthong Thongyai, chief of the Thai Commercial Counsellor's Office in Washington. Singapore, an ASEAN member, and Korea have approached the NAFTA partners—the United States, Canada and Mexico—to become members of what is already the world's largest free-trade zone.

According to M.R. Napthong, the US Trade Representative's office has informed the Thai Commerce Ministry of the two countries' overtures. Mexico once

opposed to the idea of new NAFTA's members, appears to be doing an about-face and has recently suggested that other countries in South America could join the pact.

A Commerce Ministry source said that if Singapore and Korea were accepted into NAFTA, US investments in other ASEAN countries including Thailand would be affected. The source noted that Singapore would be a target for criticism from members of the ASEAN Free Trade Area [AFTA] unless it offered similar preferential tariffs to members of both trade blocs.

He said Singapore may offer lower tariffs on certain items traded among NAFTA members or shorter enforcement time frames than those offered to AFTA members. Singapore has long been known in favour of such an agreement, so many ASEAN members fear it would offer the US the best deals.

If NAFTA covered Korea, it may erode the competitiveness of Thai exports in certain items such as textiles and electronic products in the United States, said the source.

Another source in the Business Economics Department said there would be little impact on Thai exports to the United States since Thailand enjoyed lower rates on products such as computers under the Generalised System of Preferences.

Singapore is the second-biggest exporter of computers to the United States with a 17.2 percent market share. Japan's share is 35.2 percent.

The source said Thai exports of textiles, which account for 2.6 percent of the US market, would not suffer because a bilateral agreement ensured export quotas.

Prasong Wants Maritime Talks With Cambodia

*BK0803044894 Bangkok THE NATION in English
8 Mar 94 p A4*

[Text] Foreign Minister Prasong Sunsiri yesterday welcomed Cambodia's call for urgent talks on the two countries' overlapping maritime boundary, saying that Thailand has long wished to settle the issue through dialogue. Prasong said Thailand is ready for talks with Cambodian authorities about the unclear land and sea boundary and for beginning joint development projects with the country in case an agreement cannot be reached on the disputed areas.

He was referring to a report that Cambodian Under Secretary of State for Industry, Mines and Energy Nheap Bunchin had called for urgent dialogue with Thailand over the unclear maritime zone following the discovery of local offshore oil in January. "Thailand welcomes the call for boundary talks and we hope that the countries involved can tackle the matter through dialogue," he said.

On January 17, a Japanese consortium, Kampek, struck oil in the Apsara Field's Block One about 200 km southwest of Sihanoukville in the Gulf of Thailand.

Bunchin claimed that news of the find had sparked a rush of proposals from oil explorers.

Prasong said the proposed talks will help determine whether the oil is in Cambodia's waters or not.

Thailand and Cambodia have yet to set up a joint boundary committee, usually headed by a deputy foreign minister. Cambodia had initially put on the shelf Thailand's proposal for setting up the committee. During his official visit to Phnom Penh, Prime Minister Chuan Likphai had suggested the two countries form a joint boundary committee as a mechanism to deal with possible boundary disputes. In a joint communique signed at the end of Chuan's visit, the two countries agreed that the proposed boundary committee be set up in due course.

An informed source meanwhile said Phnom Penh probably lacks professional personnel to deal with the complex issues involved after two decades of wars, and because it is now in a difficult transitional period of reconstruction.

Minister on Illegal Business Dealings in Cambodia

BK0803045094 Bangkok THE NATION in English 8 Mar 94 p A4

[Text] The government has not been supporting Thai business people allegedly involved in illegal business in Cambodia, Deputy Prime Minister Amnuai Wirawan said yesterday. The Cambodian government should be responsible for foreign investors, including Thais, Amnuai said. It is common for foreign investors to be involved in unlawful business in other countries, he said.

The government has warned Thai business people not to engage in illegal activities in foreign countries, and only a few Thais were allegedly involved in such activity, he said. "Every country has such a problem, which is solvable," Amnuai said.

Cambodian Finance Minister Sam Rangsi said over the weekend that a handful of foreign investors, including Thais, have well-established mafia-type links and were deeply involved in money laundering and drug trafficking activities in that country.

Chuan Receives Cambodian Assembly Leader

BK0803142994 Bangkok Thai Color Television Channel 9 in Thai 1200 GMT 8 Mar 94

[Text] Chea Sim, chairman of the Cambodian National Assembly, and his delegation paid a courtesy call on Prime Minister Chuan Likphai today. The Cambodian delegation is on an official visit to Thailand as guests of the Thai National Assembly between 7 to 9 March.

Welcoming Chea Sim, Chuan said that the visit would further promote bilateral relations and understanding. The prime minister expressed his concern over the poor

health of Norodom Sihanouk and also conveyed his regards to the Cambodian co-prime ministers.

Che Sim thanked the Thai Government for all its assistance to Cambodia.

Ministry Praises PRC Help on Stranded Workers

BK0803091394 Bangkok Radio Thailand Network in English 0000 GMT 8 Mar 94

[Text] The Ministry of Foreign Affairs has praised China for its assistance in the repatriation of Thai workers.

The Department of Information says a total of 223 Thai workers were persuaded to work in Shenzhen, Guangzhou [as heard] Province, the People's Republic of China. Each worker was charged a commission of 50,000 baht. When the workers arrived in Shenzhen, the broker seized their passports and they were later abandoned by their employers.

The office of Thai Consulate General in Guangzhou has worked with Chinese authorities in repatriating Thai workers late last year by China's Southern Airline. The Shenzhen local administration agreed to pay 1.5 million baht for the air fares as a gesture of friendship between the peoples of both countries. The ministry says the assistance provided to the Thai workers will help strengthen relations between Thailand and China.

Loss of Face Seen on Burma ASEAN Invitation

BK0803055594 Bangkok MATICHON in Thai 7 Mar 94 p 4

[Article by Kiatchai Phongphanit: "Burma-ASEAN, An Expensive Investment"]

[Text] It is rather apparent that Thailand is very eager to invite Burma to the ASEAN ministerial meeting it will host in Bangkok in July. One can recall that Squadron Leader Prasong Sunsiri has tried to bring Burma to the ASEAN meeting as an observer. Thailand has openly made known its position on this matter.

No one knows whether the invitation, which is common knowledge, to Burma was in exchange for something from that country. However, the foreign minister's visit to Burma was followed by an increase in trade contracts between the two countries. More important, several hundred Thai fishermen were released by Burma.

In any event, the foreign minister has not relaxed his drive. He has tried to lobby fellow ASEAN countries to see the merit of inviting Burma to the ASEAN meeting with full observer status. He said during a recent official visit to Manila that he saw no complications in inviting Burma for consultations with ASEAN. The Thai foreign minister's stand is clear.

It is difficult to understand the eagerness on the part of Thailand when other ASEAN countries do not seem to be concerned if Burma avoids involvement in ASEAN at

this time. Singapore did not invite Burma as an observer to the ASEAN ministerial meeting it hosted last year. A result of Singapore's skillful diplomacy is that it was able to avoid negative comments from the countries which were applying pressure against Burma.

Vietnam attended the Singapore meeting last year as an observer, signifying a degree of acceptance of that country by ASEAN. However, during his recent visit to Vietnam Singapore Prime Minister Goh Chok Tong said that country should not consider joining ASEAN for another year or two.

Thailand's diplomatic skills trail those of Singapore. At this point we should make known our position that the time is now right for Vietnam to join ASEAN. The Vietnamese administrative system can hardly be an obstruction. The Burmese system is just as lamentable; how can Thailand justify its endeavor in favor of Burma? Thailand cannot avoid strong criticism on this matter. The long-term repercussion will be considerable because we will be on the opposite side of the superpowers who are applying pressure against Burma.

We cannot even correctly choose sides; what else is there to say about this bungling?

A point to be concerned with is losing face if Thailand's eagerness does not receive the expected response. So far we have not heard about the Burmese position regarding how eager it is to accept an ASEAN invitation.

It is likely that this year Burma will be occupied with its domestic problems more so than it might be with ASEAN matters because it knows that its acceptance will not be easy. Burma has seen the Vietnam case as an example, and it will be forced to think even harder.

Burma will be pressured by many events. One will be the fact that the ASEAN ministerial meeting will be held in July, the same month that Aung San Suu Kyi's detention is scheduled to end. There are rumors that Suu Kyi's detention will be extended. A refusal to release her will essentially disqualify Burma from joining the international community. Pressure from the United States, the UK, and the European Union will increase, and an ASEAN action concerning Burma could lead to a future confrontation with those countries. Thailand will not be able avoid their dissatisfaction because it led the campaign to invite Burma.

There is an ambitious anticipation that because the group in power allowed a U.S. congressman to meet Suu Kyi, a settlement between her and the Burmese Government is possible. THE ECONOMIST even ridiculed Congressman Richardson's grandeur about a meeting between Suu Kyi and Khin Nyunt "even if they only discuss the weather."

Another problem facing Burma is peace talks with minority groups. These talks will never reach concrete agreements as in the accord with the Kachins. On this

subject, Thailand was accused of forcing minority groups to negotiate and accept conditions set by the military dictatorship in Rangoon.

Burma will be forced to exert efforts to achieve concrete achievements in these areas. To join ASEAN merely to show that it has become part of the international community will not help Burma solve the minority problem.

The drafting of the Constitution by the Rangoon power holders is a joke, not only because there are conditions that retain the military leadership role, but the Burmese military dictatorship has already started to arrest people who oppose the drafting and the conditions. The constitution will fuel new, violent political confrontation, and chaos will be unending.

What qualifications does Burma have for Thailand to invite its participation in ASEAN? By offering an invitation, Thailand will be viewed as engaging in trade and association with that country only to exploit it for short-term and unethical reasons.

It is anticipated that as the ASEAN meeting in Bangkok in July approaches, U.S. pressure against Burma will increase. The U.S. policy toward Burma will be more aggressive in conjunction with pressure from U.S. allies such as the UK, France, Australia, the Scandinavian countries, the European Union, Japan, and the United Nations.

The main demands of the group applying pressure against Burma are the unconditional release of Suu Kyi and the return of legitimate power to the group which won the general election in 1990, improved human rights, and the formation of a democratic government acceptable to the world community.

Burma has apparently done nothing in these areas. In the eyes of the world, the so-called "constructive engagement" has not done anything constructive for Burma, only constructive business dealings. One cannot understand why there is such eagerness to invite Burma to the upcoming ASEAN meeting. Will this investment turn out to be too expensive? Where can Thailand hide its face if Burma feels that it should tackle its problems first and reject the invitation?

Burma Accepts Financial Aid Offer for Bridge

BK0803040094 Bangkok THE NATION in English
8 Mar 94 p A2

[Text] Burma has agreed in principle to the construction of a bridge over the Moei River linking Tak province with Mywaddy, and has accepted Thailand's offer of financial support for construction expenses, Foreign Minister Prasong Sunsiri said yesterday. Prasong said his Burmese counterpart, U Ohn Gyaw, has endorsed Thailand's initiative for the construction of the bridge to link Tak's Mae Sot district with Mywaddy. The Cabinet last week agreed to the Foreign Ministry proposal that Thailand take responsibility for funding construction of the

bridge, because Burma is not prepared to do so. However, it asked the ministry to make sure Burma wants the bridge.

"U Ohn Gyaw informed me during my official visit to Rangoon for a Joint Commission meeting that Burma wants the bridge," Prasong said. The bridge is expected to boost border trade and tourism in the area.

Permanent Secretary for Foreign Affairs Pracha Khunakasem yesterday informed Burmese Ambassador to Thailand U Phone Myint of the Cabinet resolution last week to fund construction of the bridge.

Thailand initially considered other options related to the project, including a proposal that Tak province's private sector construct a temporary bridge at the same location. Tak's private sector wants the temporary bridge immediately, while waiting for a decision on the main bridge by the two governments.

Trade, Investment Plans With Philippines

BK0703042594 Bangkok Radio Thailand Network in English 0000 GMT 7 Mar 94

[Text] Thailand and the Philippines have agreed to increase bilateral trade and investment. The agreement was reached at the first Thai-Philippine Joint Commission meeting held recently in Manila. The meeting was cochaired by Foreign Minister Prasong Sunsiri and his Philippine counterpart, Roberto Romulo. Both sides also agreed on the setting up of the joint business council and stressed the need to jointly establish an agricultural policy in the international arena launcher^d to campaign to promote ASEAN products and adopt the barter trade systems. They will step cooperation between research institutes of both countries and exchange scientists and academics from both the public and private sectors. Thailand will consider an extradition treaty proposed by the Philippines. The Thai delegation proposed that the second Thai-Philippine Joint Commission be hosted by Thailand next year.

Suphachai on 1994 Economy, Farm Policy

BK0703052194 Bangkok Radio Thailand Network in Thai 0000 GMT 7 Mar 94

[Text] At present, foreign investors have more confidence in investing in Thailand. Japan has now categorized Thailand as the world's fourth most favorable country for investments. Mr. Suphachai Phanitchaphak, deputy prime minister, said that because of this sense of confidence, Japan is planning to move automobile spare parts and computer parts production bases to Thailand. This is because it is predicted that the trend of Thailand's economic growth rate this year will be even higher due to the expansion of investment in both the public and private sectors.

[Begin Suphachai recording] While the rate of our economic development growth is, in my opinion, rather good this year—at least eight percent—the inflation rate

here is between three and four percent, which is lower than the world's average inflation rate. Therefore, we should not worry about our financial stability. The same is true with the stability of our exchange rates. This is because at this point our monetary reserves amount to U.S. \$26 billion so far, thus making our country rank one among the world's top ten for most favorable places for investment. With such a large volume of monetary reserves on hand, we should not have any concern about the natural flow of our cash. [end recording]

The deputy prime minister, however, admitted that Thailand still encounters problems in agricultural production. The government has paid special attention to this development and has encouraged farmers to switch from planting low-priced crops to growing other alternative crops which fetch better prices. The government has already provided low interest rate loans to farmers who wish to do so. In addition, the government is now keeping a close watch on the approved investment projects in Zone 3 to see whether the trend of investment has expanded from the zone's center to its sub regions or not so that a cross border link-up can be set up with the economies of some neighboring countries. In the meantime, the government is speeding up the implementation of a project to link the eastern region with the northeast. This project has already been approved and its construction designs laid out.

[Begin Suphachai recording] At the beginning of last year, applications for government approval to invest in Zone 3 increased five fold or 500 percent. We are now waiting to see how much money these investors, who received approval from the government, will spend on their initial investment and in which direction these investments will expand. Since the investment has been targeted for the center of Zone 3, we have yet to see whether it will be expanded to the zone's sub regions, especially border areas with neighboring countries. This trend will pave the way for our economy to spread out from the center to remote regions, especially border areas. There is a bright prospect of success in this direction because the Asian Development Bank and other countries have rendered support to such endeavors. I believe that problems in the remote border areas will be resolved more smoothly. [end recording]

Vietnam

Spokesman Gives 'Cool Response' to U.S. Demands

BK0803054494 Hong Kong AFP in English 0523 GMT 8 Mar 94

[Text] HANOI, March 8 (AFP)—Vietnam gave a cool response Tuesday to demands by US Secretary of State Warren Christopher for improvements in human rights before Washington will establish diplomatic ties, saying it would not accept preconditions for normalization.

"We are ready to cooperate with the United States on several problems but we will not accept any issue becoming a precondition for the normalisation of diplomatic relations," a foreign ministry spokesman said.

Christopher said Saturday in Hawaii before heading off for an Asia-Pacific tour that Vietnam needed to make progress in its human rights record, settle claims by US businesses and resolve questions on US service personnel missing since the conflict in Indochina.

"There are a great many things they would have to do before normal relations can be established," Christopher said.

US and Vietnamese met in New York last week to discuss human rights in an atmosphere described by Hanoi as "constructive," although no other details merged from the meeting.

Vietnam has said it welcomes dialogue on the issue but will not countenance "interference in its internal affairs."

A recent State Department report on Vietnam's human rights record welcomed changes to the constitution that enshrine certain legal rights, but accused Hanoi of detaining dissidents who peacefully expressed political views. The secretary of state praised Hanoi for its help in the search for the 1,647 US personnel still listed as missing in action in Vietnam, which has diminished as a obstacle to ties due to increased cooperation from authorities here.

Officials from both sides also said they had made "some progress" in talks in Hanoi last week on opening liaison offices and settling claims on more than 500 million dollars in assets seized by both sides in 1975 after the Vietnam War.

Foreign Investment Procedures To Be Streamlined

*BK0803100894 Hanoi VNA in English 0615 GMT
8 Mar 94*

[Text] Hanoi VNA March 8—The government was determined in 1994 to make investment procedures simple, clear cut and strict so as to create investment environment in Vietnam more attractive, Minister Dau Ngoc Xuan, chairman of the State Committee for Cooperation and Investment told a recent press conference. He added that in a meeting which focused on external economic activities held earlier this year, the government emphasised improving and simplifying investment procedures so that investors would have less trouble in applying for investment licence.

The law on foreign investment introduced in 1987, is considered of the more open compared with several other countries in the region. However, rules governing investment procedures are very complicated, taking much time and creating a lot of trouble for investors. At the moment it takes about six months or even a year to get a project licensed, often having to be submitted to up

to as many as 10 authorised offices for approval. The meeting, Mr Xuan said, also discussed measures to secure the implementation of the licensed projects. It affirmed that great efforts should be made in 1994 to make the investment environment in Vietnam more favourable. Regarding the export processing zones (EPZ), Mr Xuan said there was nothing to worry about the matter of losing the nation's sovereignty (as a number of people once believed) when opening EPZs. It depends on the state management in EPZs on Vietnam's laws. The most important thing is to create favourable conditions to attract more investment into the EPZs. Mr Xuan further said that the setting up Tan Thuan EPZ (Ho Chi Minh City) had the potential to be successful. To date investors had registered to establish their enterprises, factories and companies in more than half of the available area. Other EPZs such as ones in Linh Trung (Da Nang), Haiphong and Soc Son (Hanoi) are expected to be successfully formed.

Justice Ministry Delegation Visits Germany

*BK0803100894 Hanoi VNA in English 0633 GMT
8 Mar 94*

[Text] Hanoi VNA March 8—A delegation of the Vietnamese Justice Ministry led by its Minister Nguyen Dinh Loc has paid a working visit to Germany as guest of Dr. B. Vogel, prime minister of State Thuringen and president of the Konrad Adenauer Institute. While in Germany, the delegation attended a seminar held by the Konrad Adenauer Institute on the rule of law in a social market economy with Germany as an example. Minister Nguyen Dinh Loc and his party had working sessions with his German counterpart, Mr Schnarenberger, and other senior officials of the German Government and legislature. During these meetings, the two sides exchanged views on possibilities to further develop the cooperation in the law and juridical fields [words indistinct] Vietnam and Germany. The German leaders highly appreciated Vietnam's renovation cause in general and the efforts of the Vietnamese Government and party in building a state governed by law, and improving its law system and juridical mechanism in particular. They also expressed the common views of the German legislature and government on further strengthening assistance and cooperation with Vietnam. On this occasion, the Vietnamese justice delegation and the Friedrich Ebert Foundation signed a cooperation agreement in the 1994-1996 period.

Vu Oanh Article on National Unity, Part 2

*BK0603142994 Hanoi NHAN DAN in Vietnamese
2 Feb 94 p 3*

[Second of three installments of an article by Political Bureau member Vu Oanh: "Great National Unity in the New Situation and Tasks"]

[Text]

Part Two

Great Unity in the New Situation

I. The present situation:

Our party great national unity strategy in the present situation is designed in such a way that it can exploit and develop our traditional concepts while renovating various aspects to suit developments at home and abroad.

1. "In the present international situation, nationalism has become a very important factor. The developing countries must carry out a very difficult and complicated struggle to extricate their countries from poverty and backwardness while opposing the reactionary forces to protect national independence, sovereignty, and territorial integrity. Nations are facing global, pressing issues related to the common fate and destiny of mankind such as maintaining peace, protecting the environment, reducing the population growth rate, and preventing and eradicating serious diseases." (excerpt from resolution no. 07-NQ/TU of the party Central Committee)

We all know that mankind is making preparation to conclude its tasks in the 20th century to embark on the 21st century against the background of swift changes in the international situation that have dramatically affected the old world order while paving the way for a new one. The upswing in the scientific-technological revolution has brought about new results in the computer, electronic, communications, and biochemistry domains, thus helping to accelerate the pace of production development. Socioeconomic reform programs have been launched in a wide and far-reaching scale in various countries, thereby seriously affecting the fundamental social issues in each nation (these include the issues of ownership, political system, democracy, and social justice)

It is necessary to say that while there are conflicts, racial and religious crusades, starvation, diseases—especially AIDS—destruction of the ecology, and environmental pollution in certain countries that are threatening the daily life of millions of people, new conditions and opportunities emerge elsewhere. These include the trend of peace and stability in our region, the dynamic development in the Asia-Pacific zone, the trend of increased cooperation in the world, and the vigorous development in universalizing the economic life in many nations. These are developments that have created new favorable conditions and opportunities for accelerating the developmental pace in our nation.

In our efforts to join the international community, we have faced numerous difficulties caused by our poor economy and backwardness. However, as a country lagging behind, we have the chance to learn from the experiences of other nations. As a result, while facing numerous ordeals we are in a position to vigorously and quickly develop our socioeconomic situation. Thanks to our foreign policy—one of independence, sovereignty, and diversified diplomatic activities—our country can

firmly advance forward despite acute difficulties and ordeals. This has enabled us to continue to expand relations with other nations while combining our national strength with that of the world and our traditional strength with that of the era.

2. Implementing the renovation process set and led by our party, our people have scored initial yet very important achievements, thereby creating a new condition for national development. This is a very favorable condition for strengthening the all-people national unity to help extricate our country from poverty and backwardness to advance further. While enjoying this new condition we also face many new problems that call for our great efforts to overcome them.

The renovation process set by our party is basically in line with the trend of the era, the social evolution law, the reality of our nation, and the aspiration of our people. This has been proven as true by our initial achievements and by our ability to overcome numerous difficulties and ordeals.

However, in reality, we still have many weaknesses. While our economy is still poor and backward, we are facing the danger of lagging behind economically compared to other countries in the region, thus causing an adverse effect for us in various domains. This is a great ordeal of the era and a danger to the vitality of the nation. As a result, we must strive to bring our self-reliance tradition into full play while closing our ranks to overcome all difficulties.

3. Vietnam has a population of more than 70 million, who have a good background and are composed of various strata, nationalities, and religious groups living at home and abroad. Although they have different backgrounds, different living conditions, and different religions, they are proud of their Vietnamese origin. Their nation has several thousand years of history and the tradition of unity to build and defend the nation. They have but one common aspiration to reunite the country to make the people prosperous, the nation powerful, and the society just and civilized, to be able to join in the international community and surge forward to catch up with developments of the era.

In view of the above-mentioned characteristics, Vietnamese citizens should realize their historic duty toward the nation, bring into play their wisdom and creativity, uphold their sense of responsibility, and strengthen the great national unity bloc. Let them make every effort to enrich themselves while at the same time contributing to making the country more powerful.

II. The objectives and tasks under the policy of great national unity.

As specified under the "economic stabilization and development" strategy, in the years ahead, efforts must be made to help the country "tide over a crisis situation and stabilize the socioeconomic situation." Steps must

be taken to lead the country out of poverty and under-development, improve the people's living conditions, consolidate national defense and security capabilities, and create conditions for the country to reach a higher level of development by the start of the 21st century.

The resolution of the Ninth National Assembly's Fourth Session has set forth the orientations and tasks for 1994 as follows: It is necessary to firmly safeguard the achievements of the renovation process, develop the industrialization and modernization program a step further, and grasp all opportunities to quickly increase the economic growth rate and shift our country to a new stage of development. At the same time, it is imperative to effect important changes on the cultural and social fronts, firmly maintain political stability, safeguard national sovereignty and territorial integrity, and broaden diplomatic relations.

To fulfill that arduous task, it is more important than ever to strengthen unity among Vietnamese countrymen, bring into full play the strength of the national community, and strengthen the all-people great unity bloc a step further.

The general tasks of the National United Front at present are "to develop the tradition of patriotism, national pride, and spirit of sufficiency and self-help; motivate all Vietnamese countrymen to participate in the renovation undertaking to firmly defend national independence, unification, sovereignty, and territorial integrity; strive to fight poverty and backwardness; surge forward to achieve the goals of making the people rich and the country powerful and of bringing about justice and civilization in society; and implement President Ho Chi Minh's sacred testament, which calls on everyone to "build Vietnam into a peaceful, unified, independent, democratic, prosperous, and powerful country and contribute to the cause of peace, independence, democracy, and progress in the world."

Acting in line with the above-mentioned objectives and tasks, the Political Bureau has set forth major policies as follows:

1. Great national unity calls for efforts to strengthen unity among people in the great family of the Vietnamese nation—which is composed of various strata, classes, ethnic and religious groups, and people at home and abroad—to make the above-mentioned goals come true. To achieve unity, we must share similarities and at the same time must accept differences that are not at variance with the common national interests. We must strive to overcome prejudices, complexes, and hatred; look toward the future; and promote the spirit of solidarity, openness, and mutual trust. Everyone should work toward the goals of national independence and freedom and of happiness for the people.

2. Great national unity constitutes the fundamental line of our party and state. The concept of great national unity must be reflected in all lines, policies, and regulations of the state and must be included in all political,

economic, cultural, social, national defense and security, and diplomatic activities. This is aimed at meeting the legitimate interests and aspirations of people of all strata. We must link rights with duties and personal interests with citizens' duties and must bear in mind that the national interests come first. It is necessary to create favorable conditions for releasing the production force and encourage all individuals and economic sectors to bring into full play their energy, talents, and creativity to increase production, expand business, and enrich themselves through honest means. We must encourage the people to practice thrift and build and protect the nation and must make constant efforts to improve the material and cultural life of the people. At the same time, we must encourage the people to satisfactorily implement various social welfare policies through the movement to repay those who have rendered meritorious services to the nation, participate in public utility projects and humanitarian activities, help one another to eliminate hunger and reduce poverty, and develop the tradition of benevolence and righteousness of our fathers and forefathers.

3. We must build a clean and strong people's government with high efficiency to make it a real law-governed state of, by, and for the people. The people's government must protect the people's legitimate rights and interests, firmly maintain the state order and law, perfect and execute the policy of multisectorial economic development with the state management, and outline and execute social welfare policies. It must preserve and develop the national culture together with efforts to acquire the essence of the world culture. It must build new men, strengthen the national defense and public security, and broaden its external affair activities.

4. We must expand our great national unity block via diversified activities. We must organize and develop mass movements at different levels, create more activities suitable to all social strata, and improve the positive role of exemplary people in different social classes, ethnics, and religions. We must direct our activities to villages, subwards, and households. We must strengthen the alliance between the workers with the peasants and intellectuals to make it a foundation for our great national unity block.

III. Main Ideas on Policies for Great National Unity.

1. The initial achievement of the renovation undertaking has offered opportunities for everybody to actively build their life and to contribute to the cause of national construction and protection. The policy for great national unity, on that basis, needs to encourage and create more favorable conditions for the people to develop further. Our party and state have and will create equal opportunities for everyone: peasants will be granted the right to use their land, workers will possess shares in their enterprises, and the public will be provided loans for their business operation so that everybody will have a fair chance to improve their life, making the poor become better, the average become rich, and the rich become richer.

For the people who have rendered a meritorious service to the nation such as the families of fallen combatants and injured soldiers and the people who have been in national service for many years with outstanding performance, our party and state have given them privilege treatment and have launched public movements to help them. However, we must pay more attention to provide better assistance and conditions to them so that these people can have a living standard at least equal to that of average people in the same residential area would enjoy. We must not leave them struggling permanently in the poverty line.

For the workers, we must provide them with additional technical and professional training so that they can adjust themselves in the industrialization and modernization process. We must train our contingent of workers for new technologies and accelerate our technical training in service management, tourism, languages, accounting, statistics, and so forth... according to the market demand. We must introduce the share-holding system in state enterprises and business, provide loans for the workers to set up their share-holding enterprises, and widely apply the quota contract system for our workers. We must provide enough jobs for workers and establish a cooperative relationship between employers and workers to improve the business productivity, quality, and efficiency. On the foundation of respecting the law, we must guarantee the workers' legitimate interests and fulfill our financial obligations to the state.

For the peasants, the national industrialization and modernization will create great effects for rural areas, agriculture, and peasants. The infrastructure construction must concentrate in rural areas, especially the development of public roads, electricity, postal and communications, culture, health care, and education to narrow the gap between cities and rural areas. The government must continue to perfect its policy to grant the right of land use to peasants. It must also introduce policies to develop the reasonable relationship between the industry, agriculture, and service. It must increase investment for the development of barren land, empty hills, water surface, and coastal areas. It must develop processing industry, industries, and handicrafts and expand our market relation to quickly consume products made by peasants. Particularly, we must pay attention to improving peasants' knowledge and upgrade the cultural, medical, and education service in rural areas.

Regarding the intelligentsia, it is necessary to make everyone realize that for the struggle to make the goals of making the people rich and the country powerful and of bringing about justice and civilization in society come true, along with helping our nation integrate into the world community at an early date, the key factor does not rest with the fact that our country is large in size and rich in natural resources but with the fact that it is endowed with wisdom and a fine cultural heritage. If a country treats its think tank badly or plays down its role, that country will have no conditions for development or

a bright future. There exists a causality between deterioration and waste of the think tank and depletion of natural resources and socioeconomic sluggishness.

To develop our national cultural heritage, learn from the cultural quintessence of the times, have access to modern science and technology, and complete projects to benefit our country and people, we must rely ourselves on our highly knowledgeable intellectuals. Therefore, we must put the intellectuals in an important position and encourage them to apply their knowledge to scientific and technological research work a step further. It is necessary to get rid of the evils of narrow-minded attitude toward and prejudices against the intelligentsia. It is important to treat our intellectuals in a spirit of democracy and equality and to pay greater attention to their aspirations. Resolute measures must be taken against science monopoly. It is necessary to rely on the intelligentsia to discover and select talents and formulate lines and policies, particularly policies toward science and technology. Steps must be taken to broaden international relations in science and technology and create favorable conditions for scientists to maintain contact with the outside world and work or participate in research projects or training courses overseas. It is necessary to keep in mind that it is the objective of the policy toward intellectuals to make our country ready to enter the 21st century, which marks the start of a new era, the era of wisdom.

As for religions, it is important to regard them as necessary elements that have made their long-lasting presence felt in society. Religions meet both the spiritual and cultural needs of the people. By nature, religions do not act at variance with the nation and socialism. Instead, they exert a positive impact on society. It is necessary to pay due attention to the policy toward religious and nonreligious people, respect the people's right to believe or not to believe in a certain religion along with the concepts of love of mankind, humanitarianism, charity, and merit-making of the various religions.

On the one hand, it is necessary to respect the right of the various religions to perform their activities. It is forbidden to violate places of worship or interfere with the internal affairs of the various religions. It is necessary to protect churches, pagodas, and temples. It is important to keep the various religious organizations within the people's mastership system. On the other hand, stern measures must be taken to deal with attempts to take advantage of religions to undermine the great national unity bloc and violate state law.

As for people of different ethnic groups, it is necessary to give them equal treatment based on solid principles. Special efforts must be made to help ethnic minority compatriots eliminate hunger and reduce poverty. Plans must be worked out to help them with medical treatment, disease prevention, and anti-illiteracy work. Practical steps must be taken to apply birth control education to each region and each ethnic group. Due efforts must

be made to care for children, especially newborn babies. A number of ethnic groups is facing the danger of extinction. Therefore, it is necessary for the state to adopt urgent measures to preserve and develop them.

It is necessary for the state to work out prompt measures to resolve once and for all the allotment of forest and forest land to peasant households. It is important to make concentrated investment in the expansion of key communication networks, water conservancy projects, public healthcare facilities, small-scale hydroelectric power plants, and information and postal services.

Plans must be worked out to expand the work-study school system. Sightseeing trips must be organized for ethnic minority compatriots to visit cities, mountain regions, sea areas, and foreign countries. Steps must be taken to preserve and develop the cultural quintessence of people of different ethnic groups. It is necessary to respect the spoken dialects, writing systems, and fine customs and practices of people of different ethnic groups.

It is necessary to supervise the operations of sectors directly under the management of the central government. It is important to increase personnel in charge of areas inhabited by ethnic minority compatriots and key services like public health, communications, water conservancy, culture, and education. It is necessary to work out separate programs for hilltribe people and see to it that practical measures are adopted to implement them. Severe measures must be taken against sectors and individuals who violate the state nationalities policy.

Regarding the private industrial, commercial, and agricultural sectors, the state must strengthen its relations with them and must firmly grasp their aspirations, circumstances, and capabilities. Incentive measures must be worked out to encourage the private sector to make bold investment in production and business activities.

The private industrial, commercial, and agricultural sectors constitute an important part of the multisectorial economy. Once they are sponsored by or have joint ventures with the state, the private sector will develop itself into a major production force and play a positive role in socioeconomic development.

* Hydroelectric, Powerline Projects Described
942E0030A Hanoi THOI BAO KINH TE VIET NAM
in Vietnamese 9-22 Feb 94 p 3

[Article by Pham Hunh Nghi]

[Text] "1994 is the year of Vietnamese electrical power and the year in which the south will finally have sufficient electricity," said Premier Vo Van Kiet on 16 November 1993 at the Thac Mo hydroelectric project located on the Be River.

January: the three gas turbines installed at Ba Ria, with a total capacity of 100 megawatts of electricity, generate electricity. April: the 500-kv north-south landline goes into stage-1 operation. June: one of the two 75-kw Thac Mo turbines goes on line. Those will be joyous news items this coming spring.

With a capacity of 150 megawatts, Thac Mo has greater capacity than Thac Ba (120 megawatts) and almost the capacity of Da Nhim (160 megawatts). But to date, this is the largest hydroelectric project for which all the geographical and geological research and for which the technical designs for almost all the main projects were done by us.

The energy line and water gates, pipelines, plant, outside distribution stations, and spill heads of the pressure lines were built by the Interenergo Corporation (Ukrainian Energy Projects Institute). All of the other technical projects, including the main dam, the spillways (including intake and drainage canals and foundation holes), the Duc Hanh dam and secondary dams, the canal connecting the two reservoirs, and the plans to organize construction—pressure line, surfaces, and hydroelectricity—were the responsibility of Research and Design Corporation II.

Nguyen Van Thinh, the deputy director of this corporation, said that most of the people who participated in the Thac Mo project were very young. A few people such as Doan Hai Minh and Nguyen Xuan Hoa were present at Song Da and Tri An, but at the time that they were there, there was little work and the technical requirements were not great.

Work on the project got underway on 20 November 1991. But the "intellectual products" of the people at Research and Design Corporation II, that is, the economic and technical arguments of Thac Mo, had been approved 8 months prior to that, and by June 1991 all the technical designs had been examined.

But it was not until 27 December 1993, when the Be River was safely dammed, that the quality of the design was affirmed.

"Brain power is very cheap," joked a number of people. Thac Mo cost more than 1.5 trillion, but the technical design work of the men cost only about 3 billion, which is just 0.2 percent of the total cost.

Thac Mo is no longer a dream. The same is true of other large hydroelectric projects such as Ham Thuan-Dami (472 mw). Things have been turned over to them and they have gotten underway.

Many people refer to the 500-kv north-south landline as the "rapid landline."

Ten years ago, the 220-kv landline from Bien Hao to Tri An, a distance of 23 km, was called the "rapid landline" because it was built in just 7 months. Another well-known landline was the 230-kv landline from Thu Duc to Can Tho: after more than 6 long years (1979-1985)

and tens of "operations," 180 km were "basically completed." This was the case even though pillars, insulators, lines, and so on were on hand in the storehouses prior to the start of construction.

The 500-kv north-south landline runs for 1,480 km from Hoa Binh to Phu Lam in Ho Chi Minh City. People have done research, drawn up designs, carried on construction, and purchased equipment. There is nothing simple about this ultramodern landline. The line passes through many very difficult sections: the Cam Thuy mountains in Thanh Hoa, 25 km; the Hai Van area from Hue to Danang, 50 km; the Lo So gorge in Kontum, 120 km; Krong Ana to Daknong in Dak Lak, 100 km, and so on. Who would have thought that in less than 2 years from when construction officially got underway, the basic work—laying the foundation, erecting the pillars, laying the landline—would have been completed.

Hoang Dinh Hai, Nguyen Van Tan, Ly Van Tho, Le Van Hien, Tran Vinh Tai, and Tran Phuoc Nhi, the leaders of the units subordinate to Power Construction and Installation Corporation II, the unit responsible for constructing that section of the line from Buon Ma Thuot to Phu Lam (a distance of 320 km), confirmed that it had been necessary to overcome many great "obstacles." Construction had to be carried on in mountainous terrain filled with mines and bombs left from the war, there were battles against malaria, and there were difficulties because of the long distances involved, because the area was uninhabited, and because of the swamps near the cities. Together with many other "landline workers," about 5,000 people along the route and 110,000 other people were mobilized to complete the landline on time and transmit electricity from the north to the south by spring.

Bui Van Luu, the director of Power Corporation II, said that to date, the national power network has reached 93 percent of the districts and 55 percent of the villages in the south. In 1993, per capita electricity output in the south reached 150 KWh, which is almost double that (80 KWh) in 1975. But in a number of provinces in the Mekong Delta, output has reached only 40 KWh per person. In An Giang, the province with the highest rice yield in the country, output has reached only 35 KWh per person per year. As of October 1993, An Giang was ranked fourth in the south with respect to the number of galvanometers: 28,152. But in Tri Ton, Tinh Bien, and Phu Tan, some villages had only six galvanometers. The average is one galvanometer per 10,000 people. Here, the people have to purchase electricity at a cost of 750-900 dong per KWh.

In many other places besides An Giang, the peasants in the south are not very happy with "Mr. Electricity." Many localities have formed hydroelectric corporations, power service corporations, and so on in order to purchase and sell electricity.

Peasants in the south are still waiting for the Spring electrical current to reach every house.

Facts About the Thac Mo Hydroelectric Project on the Be River

Capacity: two 75-mw turbines for a total of 150 mw.
Ensured capacity: 55 mw.

Yearly power output: 610 million KWh.

Normal rise in water level: 218 meters.

Still water level: 198 meters.

Total reservoir capacity: 1,360 million cubic meters.

Reservoir area: 109 square km.

Water current flowing through the 0.5 percent spillway: 3,700 cubic meters per hour.

Water current flowing through the 1 percent spillway: 4,122 cubic meters per hour.

Water current flowing through the plant: 196 cubic meters per hour.

Largest water pillar: 106 meters

Smallest water pillar: 83.4 meters.

Official start of construction: 20 November 1991.

Date the river channel was blocked: 27 December 1993.

Date turbine No 1 will go into operation: June 1994.

Power development in the southern provinces:

1976: 1,280 million KWh.

1993: 4,600 million KWh.

1995: (predicted) 12,500 million KWh.

Per capita average:

1975: 80 KWh per person.

1993: 150 KWh per person.

In the Mekong Delta, a number of provinces have an output of only 40 KWh per person.

Mar TAP CHI QUOC PHONG TOAN DAN Reviewed

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[Summary] The magazine carries an editorial hailing the recent all-army mid-term conference, calling for more efforts to build a more steadfast national defense system and stronger armed forces. Also featured:

- Article by Huynh Cong Hoa, deputy minister of Marine Products, on the protection and exploitation of marine products in the East Sea.
- Article by Hoang Lap entitled: "Vietnam and International Navigation Law."
- Article by Ho Duc Viet, first secretary of the Ho Chi Minh Communist Youth Federation Central Committee, to mark the 63d founding anniversary of the federation.
- Article by Nguyen Duc Trieu, vice president of Vietnam Farmers Association, on activities by Vietnamese farmers to absorb the party national conference resolution.
- Article by Major General and Professor Le The Trung, director of the Military Medical Academy, to mark the 45th founding anniversary of the academy.

- Article by To Xuan Toan, secretary of the Ninh Binh party committee, on efforts by the people of Ninh Binh to study the party resolution.
- Article by Nguyen Van Lan discussing the development of a market economy in the direction of socialism.
- Article by Lieutenant General Khieu Anh Lan, director of the Infantry Academy, discussing defense tactics in the national defense system.
- Article by Senior Colonel Nguyen Van Thuan: "Some Suggestions on Organization of Military Schools in Peace Time."
- Article by Lieutenant Colonel Vu Quang Loc: "Combining Economic and National Defense Tasks in Renovation."
- Article by Senior Lieutenant Colonel Pham Hong Diep discussing the role of the military quartermaster department in building military formality and attire.
- Article by Senior Colonel Le Duc Tiet discussing the relationship between military formality and state laws and regulations.
- Article by Lieutenant Colonel Pham Sinh Cung reporting on the performance of units in Hai Ba Trung Precinct, Hanoi, to enhance military formality and attire.
- Article by Nguyen Dinh So, secretary of Ha Tay party Committee, reporting on the implementation of national defense tasks in Ha Tay.
- Article by Senior Colonel Hoang Duc Dan: "Units in the Ninth Military Region Strengthen Training for the Duty of Preparing for Combat."
- Article by Senior Lieutenant Colonel Dang Vu Liem reporting on mass motivation work on border regions by border defense troops.
- Article by Nguyen Hoang Giap discussing the current trend of cooperation-competition in the world.
- Article by Senior Lieutenant Colonel Vu Nhu Khoi on the role of the masses in national protection and construction.
- In the "On Information From Overseas Column, the magazine introduces opinions of some American and Russian specialists on national security, and an article on the military theory of the Russian Federation."